# eMARS420

## REVENUE & ACCOUNTS RECEIVABLE

**Customer Resource Center**
eMARS Training
Phone: 502-564-9641
email: Finance.crcgroup@ky.gov
http://crc.ky.gov
http://finance.ky.gov/internal/emars/

*10/05/2007*

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# eMARS Revenue & Accounts Receivable

## 1 – Orientation

eMARS will record Revenue and Receivable activity. Revenue is defined as income to the Commonwealth that is recorded as an income statement account. Examples of revenue are tax collections, and income earned for goods and services provided. A Receivable creates the billing for an event that resulted in money being due to the Commonwealth; examples include fines due to the Commonwealth for violation of a government regulation, fees, permits, etc. Revenue can be recognized at the time goods and services are provided and a receivable event is recorded. Revenue can also be recognized when money is actually received and a receipt is recorded.

Accounts Receivable is responsible for billing and collecting money owed to the Commonwealth. Accounts Receivable:

- Tracks who owes the Commonwealth money and how much
- Records accounting events for receivables and collections
- Processes billing
- Records money received
- Tracks customer financial and credit history
- Provides reports and inquiries into Accounts Receivable status
- Produces invoices, statements, past due notices and collection letters

Receivables can be modified, reduced, or even written off. Accounts Receivable is fully integrated with Cost Accounting and Accounts Payable.

### Prerequisites

You should have completed the following courses before continuing:

- eMARS101 – Introduction to eMARS
- eMARS110 – Chart of Accounts
- eMARS410 – Cash Receipt Processing

## Learning Objectives

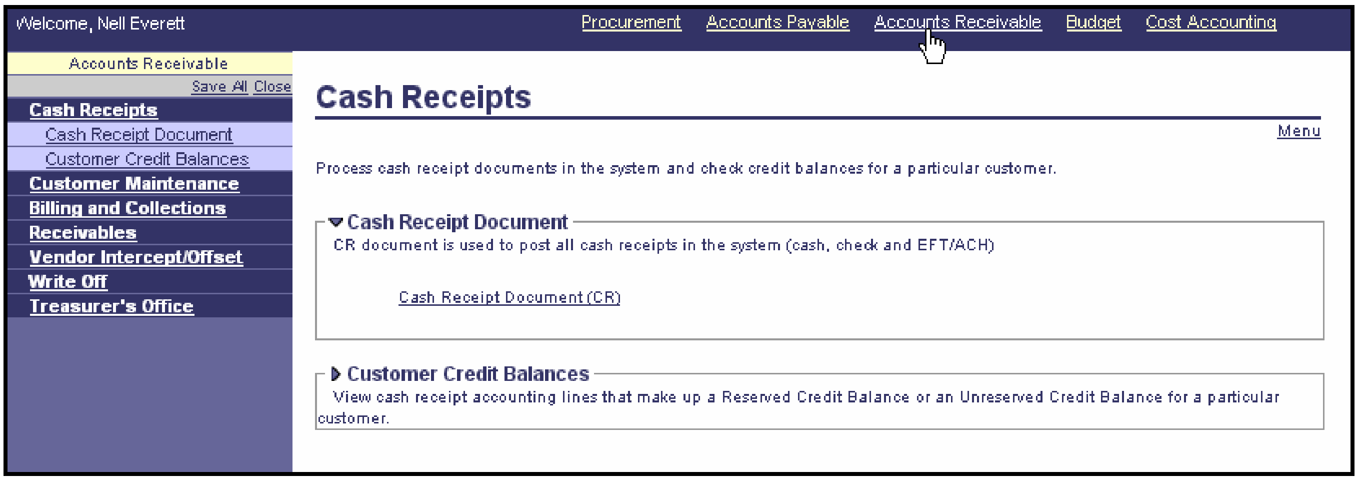
At the conclusion of this session, you will be able to:

- Establish a Customer on the Vendor/Customer (**VCUST**) table
- Create a Billing Profile on the Billing Profile (**BPRO**) table
- Process a Receivable (**RE**) document
- Process a Cash Receipt (**CR**) document for an electronic fund transfer (**EFT**)
- Modify an **RE** document
- Process a Write Off (**WO**) document using **Copy Forward**
- Use **Copy Forward** to create a Cash Receipt (**CR**) document
- Process an Overpayment.
- Use Online inquiries to find customer information, approval status and other information

# Accounts Receivable Workspace

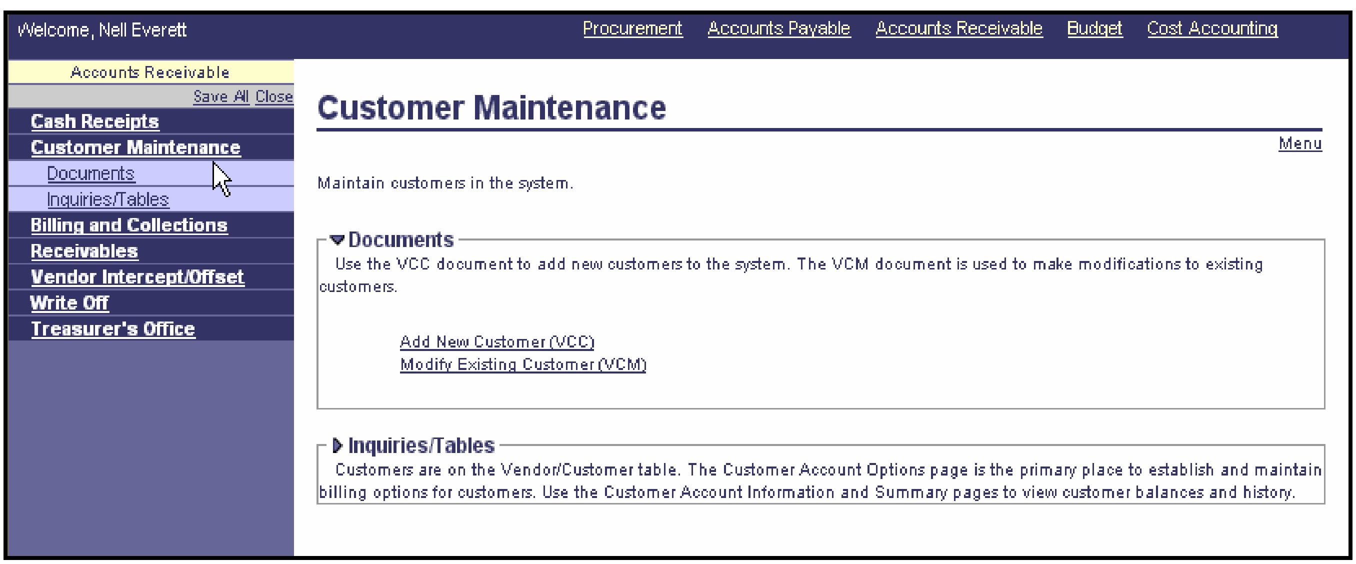
The Accounts Receivable Workspace takes you to the documents and tables you use every day in eMARS. The Workspace is in the **Primary Navigation Panel** and by clicking on the **Accounts Receivable Workspace**, links are provided for quick access.

*Accounts Receivable – Cash Receipts Workspace*

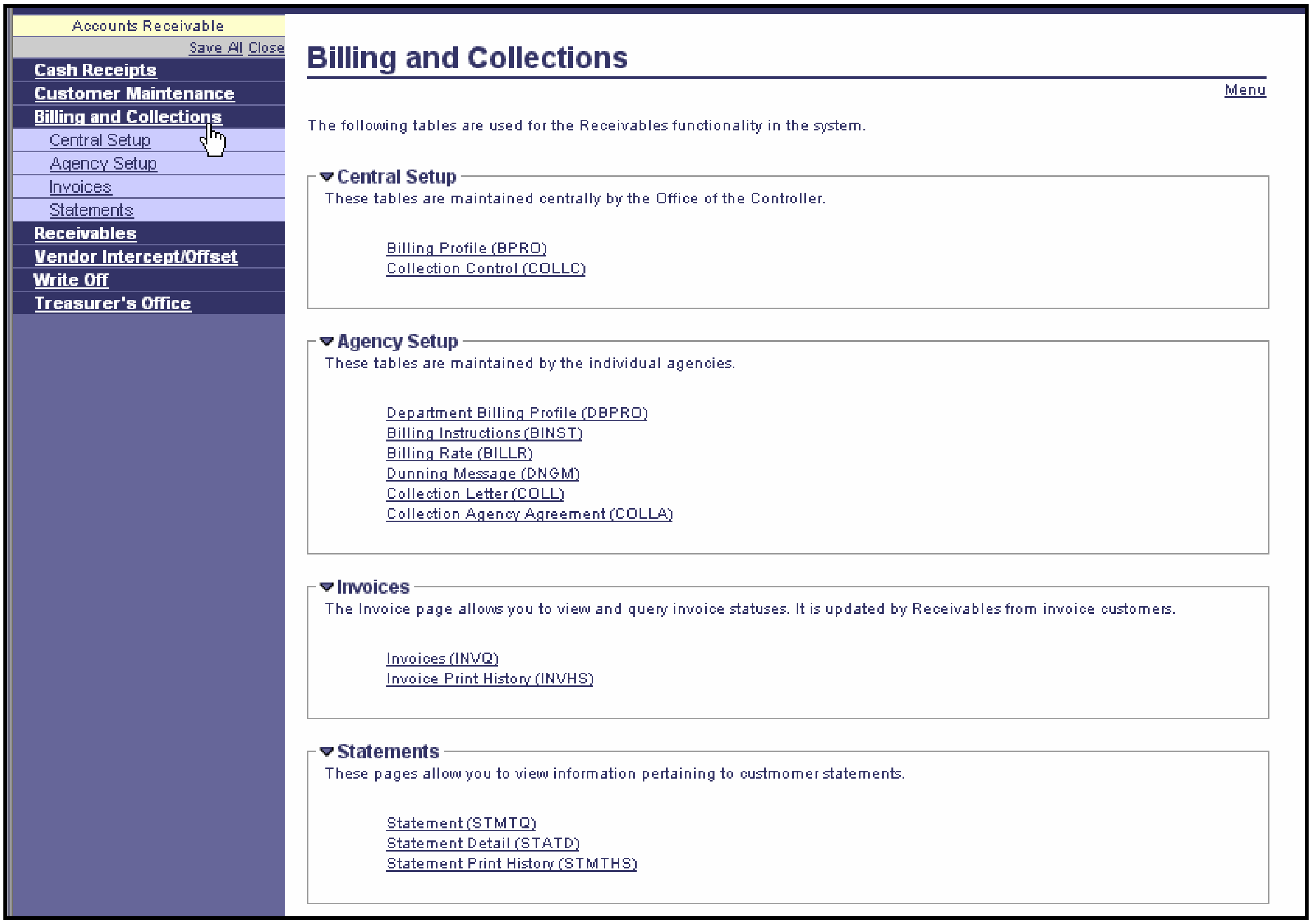



By selecting a link from the **Secondary Navigation Panel**, documents and tables are easily accessed. Click on the links in the **Secondary Navigation Panel** to review the information in each. You will practice using Workspaces during the exercises.

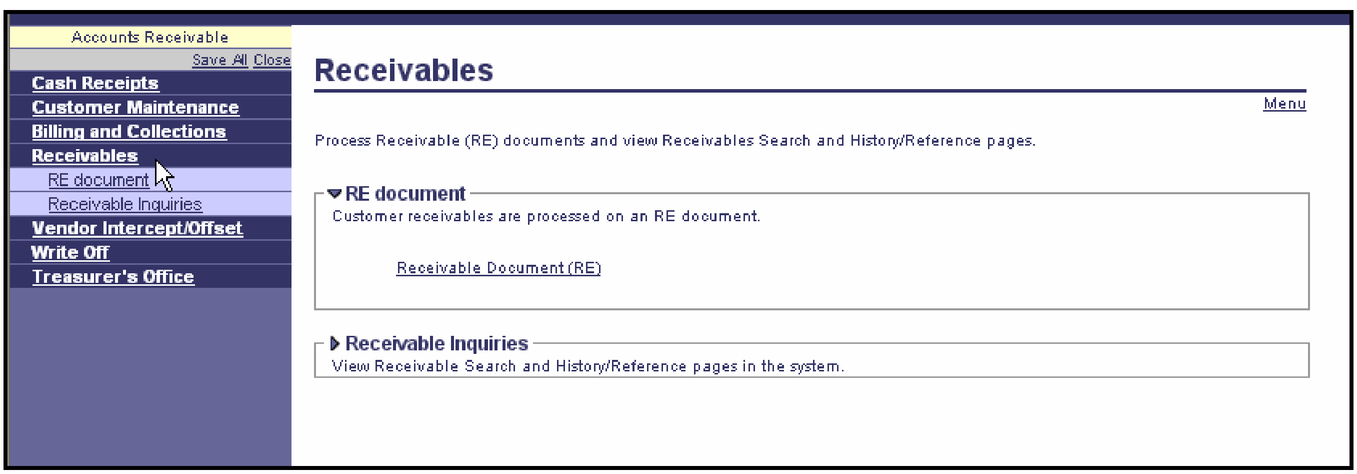
*Customer Maintenance Workspace*



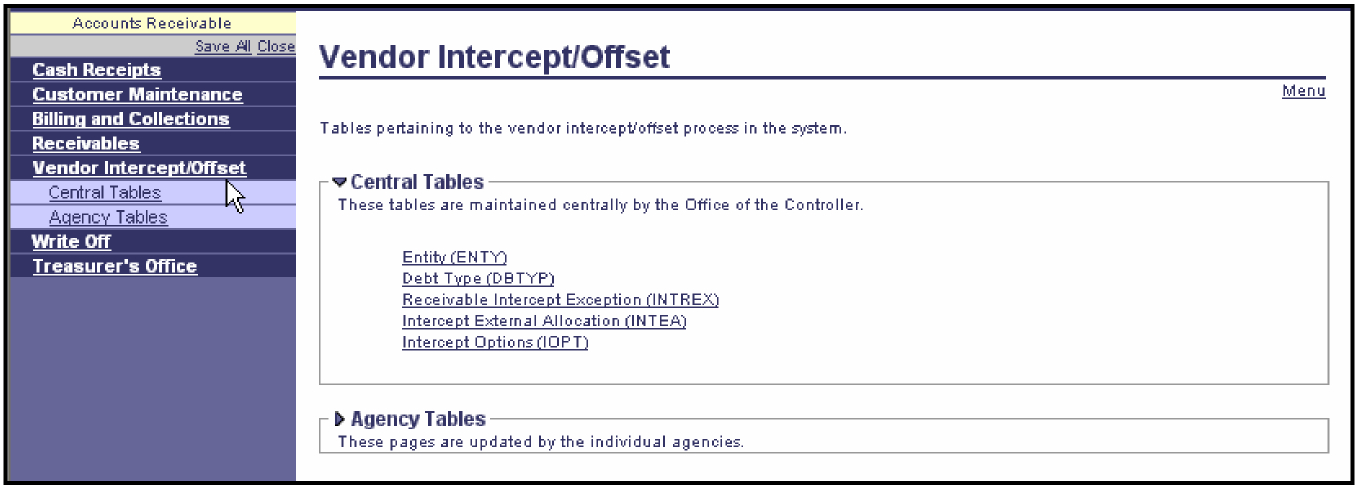
*Billing and Collections Workspace*



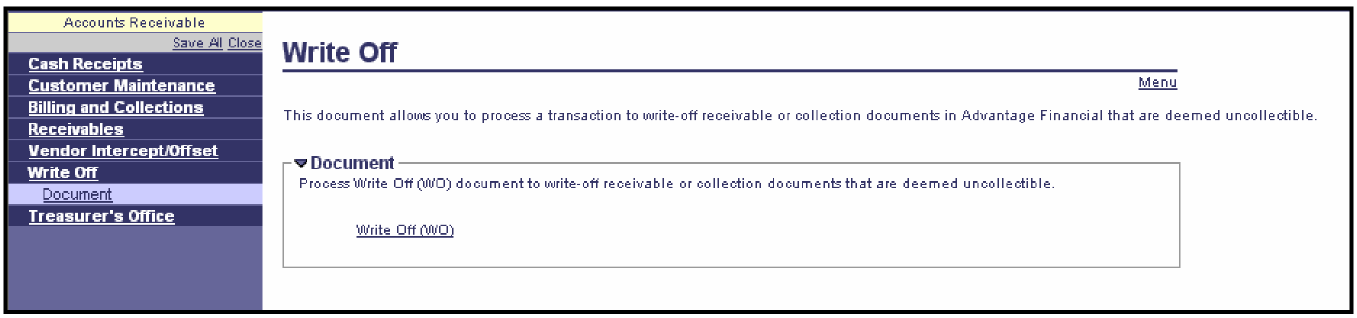

*Receivables Workspace*



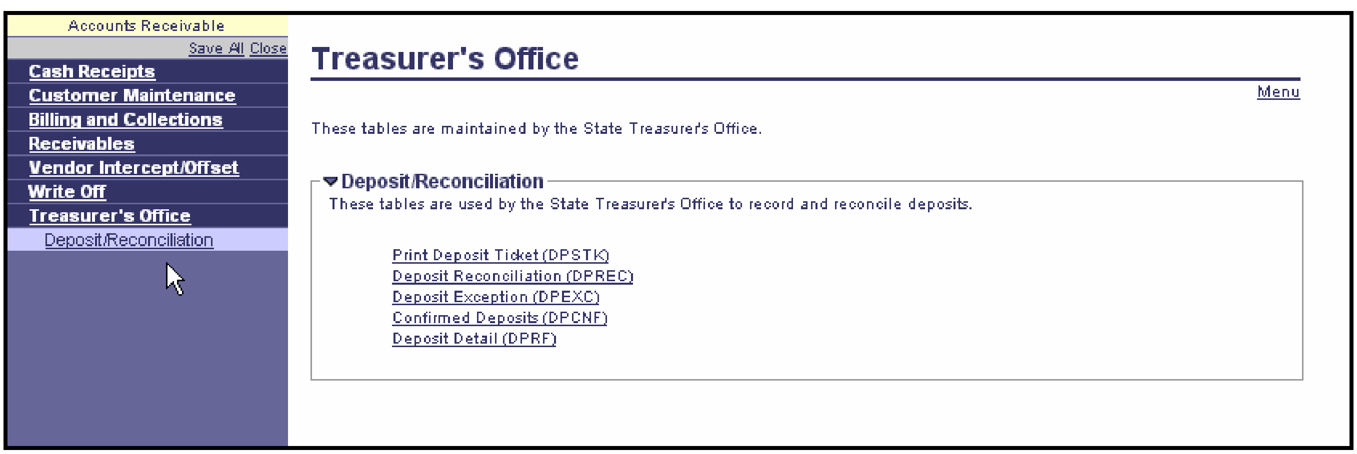
*Vendor Intercept/Offset Workspace*




*Write Off Workspace*




*Treasurer's Office Workspace*



# Document Code

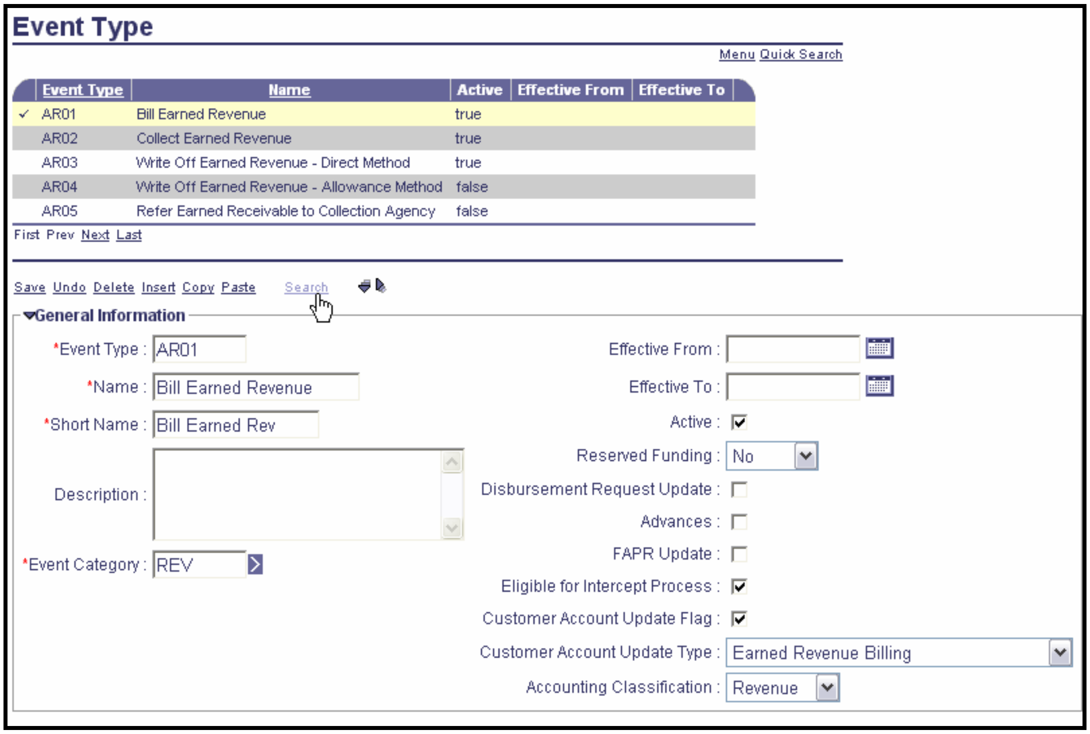
The following table displays Account Receivable document description and document codes.

| Business Process | eMARS | |
|---|---|---|
| **Current** | **Document Code** | **Description** |
| Invoice to a Customer | RE | Receivable |
| Receivable Credit Memo | RE | Receivable (Mod) |
| Receive Funds Electronically | CR | Cash Receipt |
| Receive Cash or Check | CR | Cash Receipt |
| Write Off | WO | Write Off |

# Event Types

Event Types are used on the accounting line to signify what posting codes will be used while also bringing in specific rules for data entry concerning referenced transactions, customer codes, and all defined chart of account elements in the system. The default Event Type for an **RE** document is **AR01** (**Bill Earned Revenue**). The default Event Type for a Cash Receipt (**CR**) document referencing an **RE** is **AR02 (Collect Earned Revenue).**

1. Open **Page Search.**
2. Enter **ETYP** for a listing of all event types and posting criteria. The **Event Types** used on a Receivable document begin with **AR.**
3. Select **Search** on the **Event Type** page.
4. Enter criteria to find for the specific **Event Type** you need.



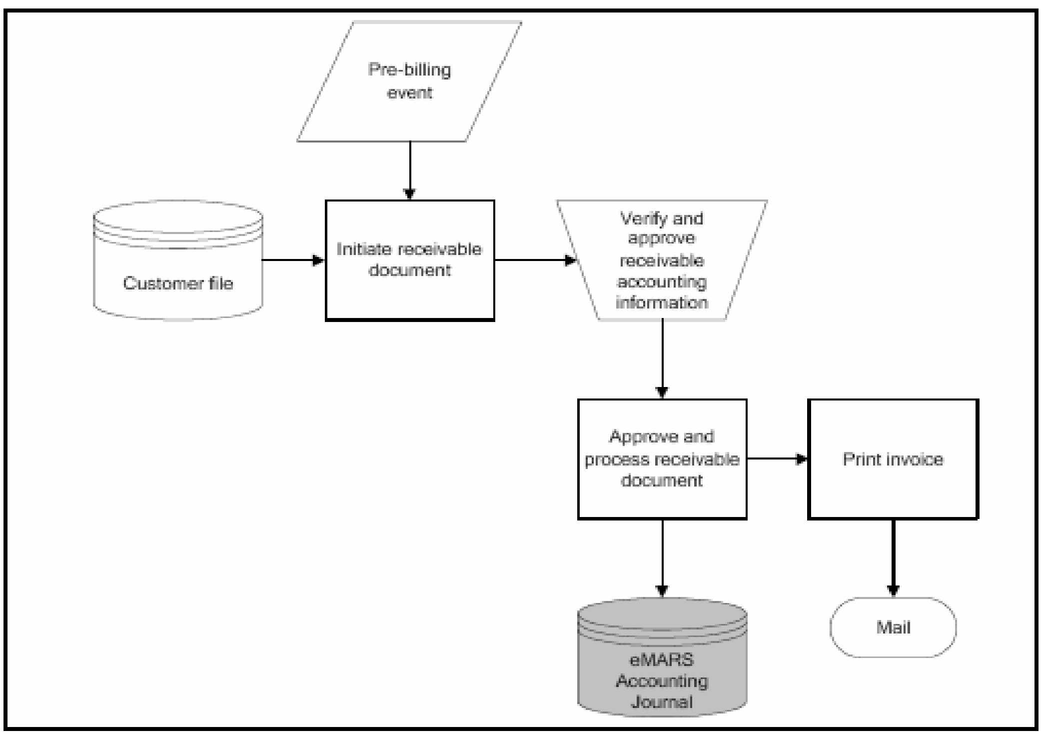
# 2 – Accounts Receivable

## Billing Process

The Billing process records and tracks receivable events in eMARS. Billing consists of activities undertaken to collect the money legally owed to the Commonwealth. It can be a revenue event if goods and services are provided; it can be a vendor refund owed to the Commonwealth; or it can be unearned revenue. Accounts Receivable generates invoices, statements or both to bill customers and allows you to view the information online.

The recording of the Billing event will primarily be performed by agencies in a decentralized environment. Agencies initiate the data entry, obtain approvals from the agency authority and process the billing. As a result, an invoice is printed at the agency site and sent to the customer.  While agencies are responsible for tracking their own receivables, central office will also be able to monitor receivables at the statewide level via on-line inquiry and reports.

*Billing Process Flow*



# Billing Profile (BPRO) Table

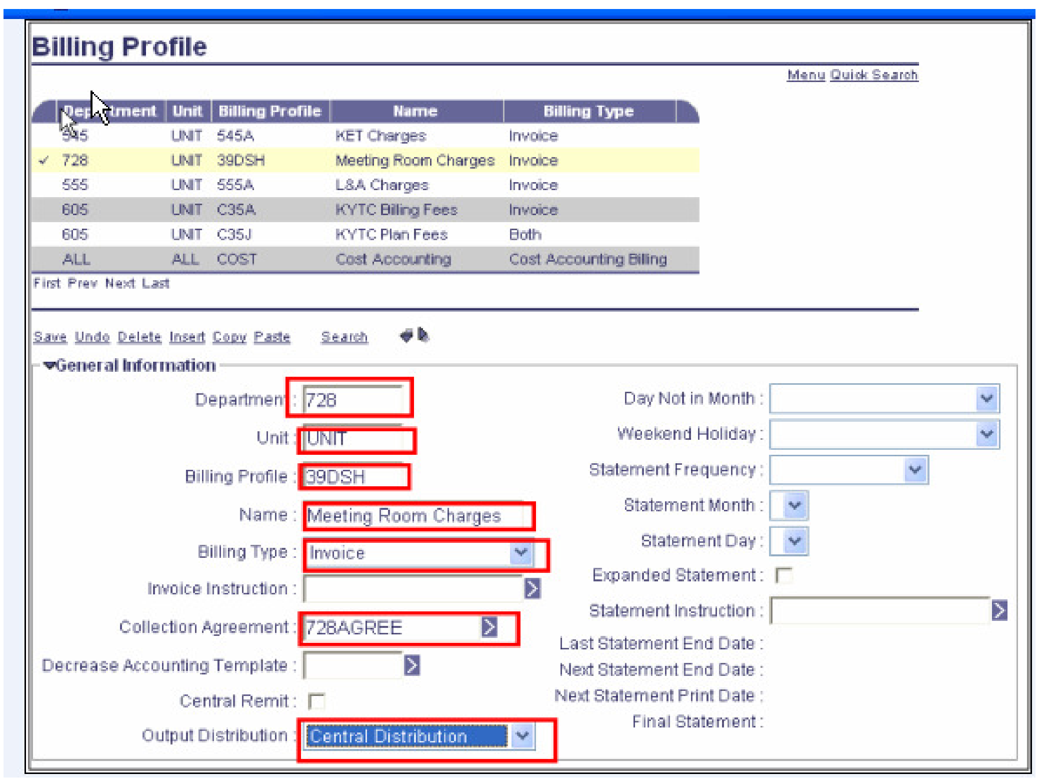
Before you can create a receivable for a customer, that customer must be established within eMARS with a Customer Account. The **Billing Profile (BPRO**) table defines basic characteristics of a customer bill. A **Billing Profile** combined with a customer code constitutes a Customer Account. Billing and collections have several tables that are interrelated. The parameters in these tables control the information necessary to generate and process customer invoices, statements, or both invoices and statements, dunning messages and collection letters.

The majority of setting up billing and collections is done when the system is implemented, but the information on these tables can be updated and new customers and customer accounts can be added. The **BPRO** table contains basic information about the remittance address, the billing frequency, billing cycle and billing characteristics for a customer or group of customers.

**The Billing Profile table will be maintained centrally by the Controller's Office**.

To enter a new **Billing Profile** or to find an existing **Billing Profile**:

1. Open **Search** from the Secondary Navigation panel.
2. Select **Page Search**.
3. Enter **BPRO** in the **Page Code** field.
4. Select **Browse**. A list of the Billing Profiles established in the system is returned.
5. Select **Insert** to enter a new **Billing Profile.**




Departments can view or make changes to their existing profiles using the **Department Billing Profile** (**DBPRO**) table. It is a department specific view of the **BPRO** table.

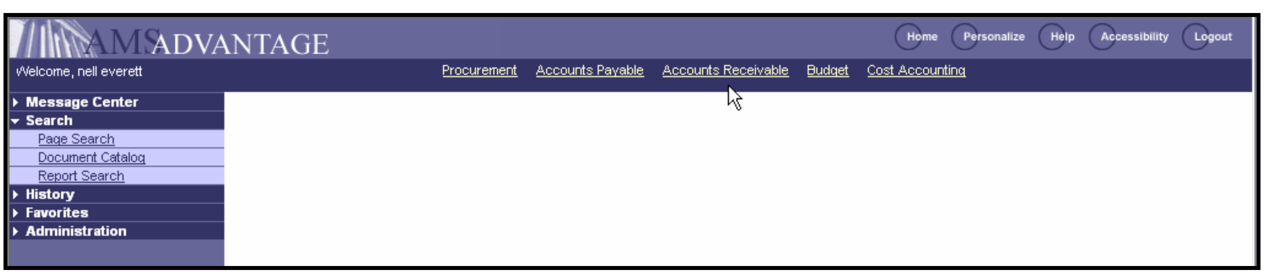
# Exercise — Logging In to eMARS

You will use a **Student ID** as your User Name to access the training database during class. These User Names are only set up for the training environment.

From the Login page, enter the following information:

| Required Fields | Values |
|---|---|
| User Name | Enter your Student ID from your Student Card.<br>**NOTE: User Names are case sensitive.** |
| Password | Enter your Password and click **Login**.<br>**NOTE: Passwords are case sensitive.** |


The **Home Page** appears.



# Exercise 1 — Establish a Billing Profile (BPRO) for a New Customer

## Scenario

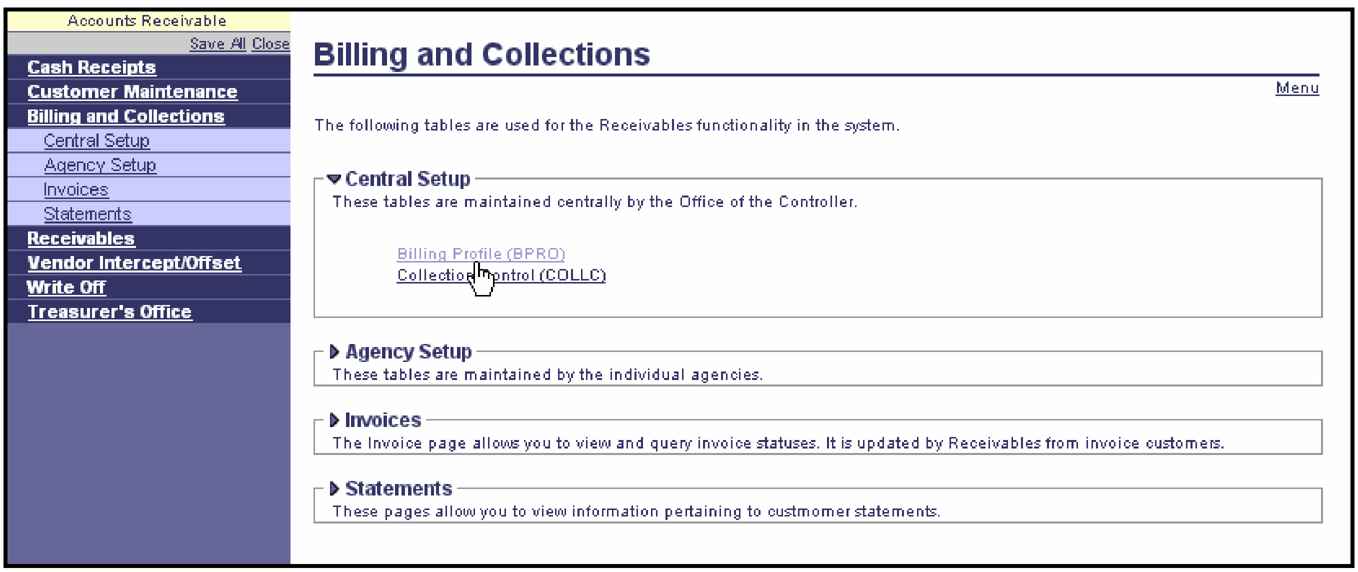
Your department has decided to charge for use of meeting space. You need to establish a Billing Profile for this charge. This **Billing Profile (BPRO**) will only be used by your department.

## Task Overview

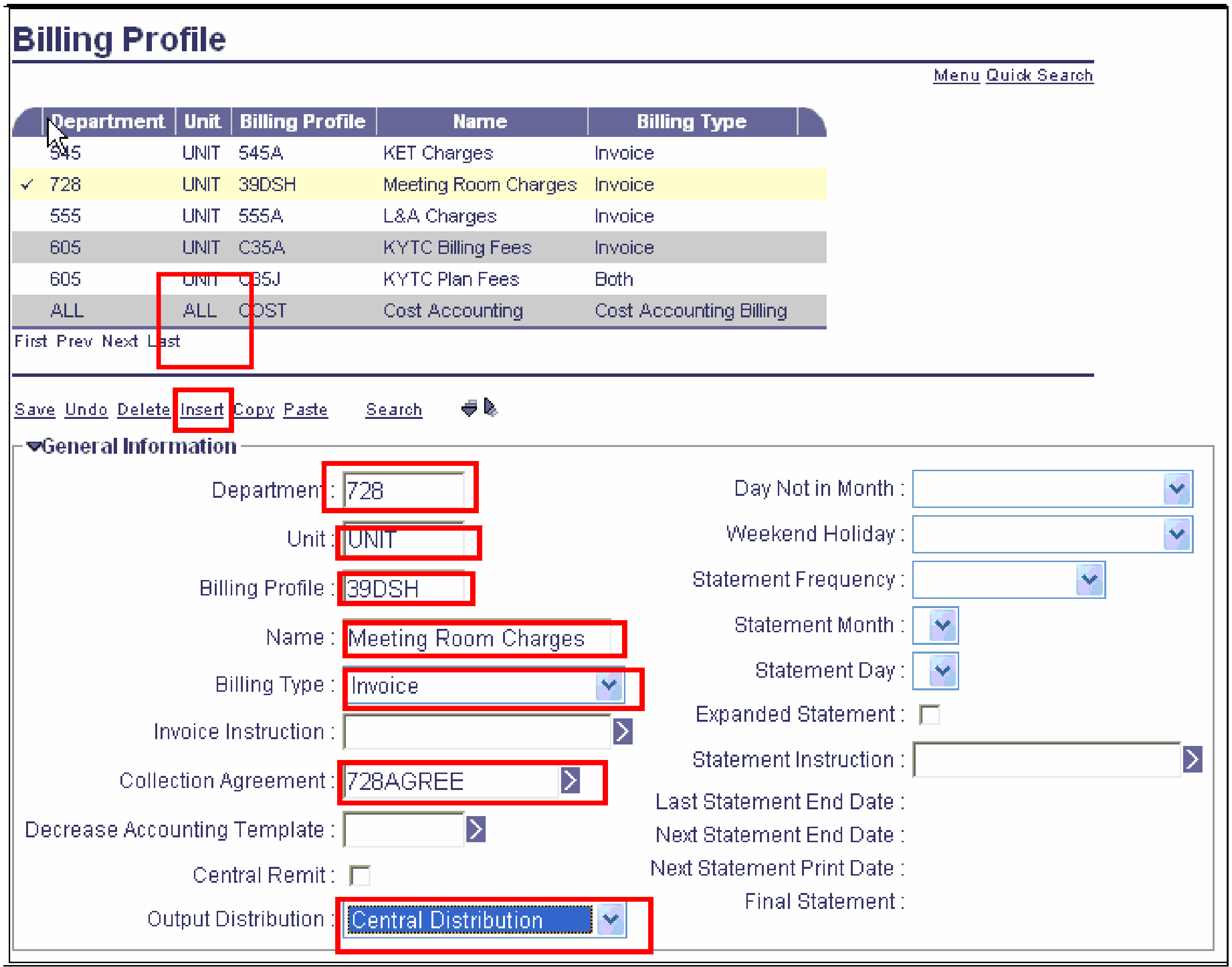
Populate the **Billing Profile (BPRO)** table with the information for the new service.

## Procedures

1. Open the **Accounts Receivable Workspace**.
2. Select the **Billing and Collections** link in the **Secondary Navigation Panel**.
3. Select **Billing Profile (BPRO)** from the **Central Setup section.**



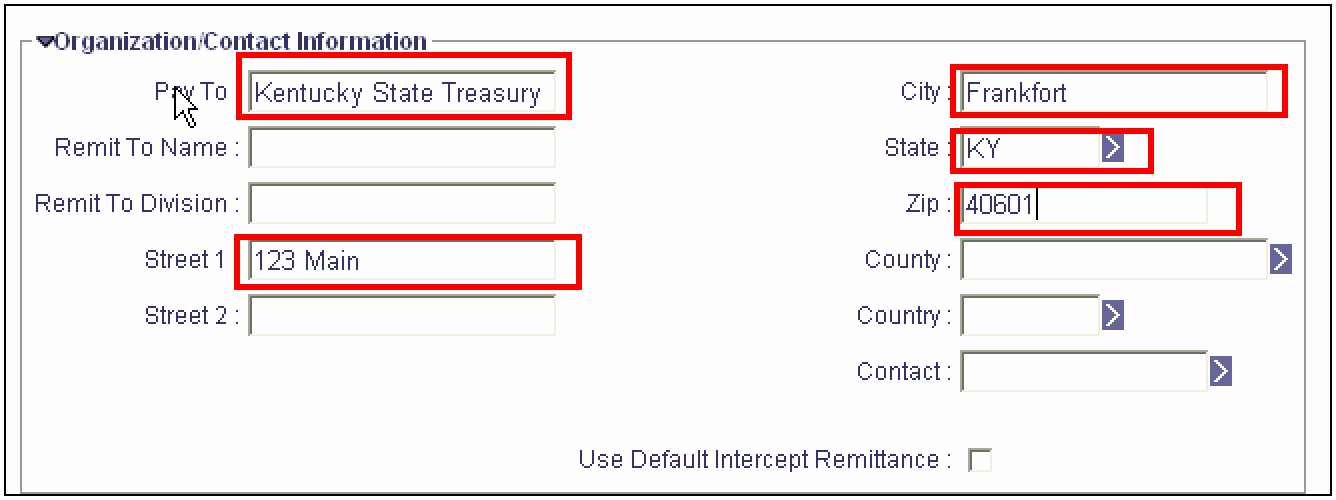

4. The **BPRO** table opens. Click **Insert**.




5. A blank **General Information** page opens. Enter the following information:

| Required Fields | Values |
|---|---|
| Department | See Student Card |
| Unit | UNIT |
| Billing Profile | Student ID# + Initials |
| Name | Meeting Room Charges |
| Billing Type | Invoice – Select from the Drop Down List |
| Collection Agreement | Select your Dept from the Pick List |
| Output Distribution | Central Distribution – Select from the Drop Down List |

*Organization/Contact Information Section – **BPRO** Table*




6. Open the **Organization/Contact Information** section. Enter the following information:

| Required Fields | Values |
|---|---|
| Pay To | Kentucky State Treasury |
| Street | 123 Main St |
| City | Frankfort |
| State | KY |
| Zip | 40601 |

7. Click **Save** at the top of the page.
8. You have successfully created a Billing Profile**.**
9. Click the **Home** Action Button to return to the **Home** page.

# Locating a Billing Profile

You can locate your **Billing Profile** (**BPRO**) 2 ways, by accessing the table from **Search** on the **Secondary Navigation Panel**, and by accessing the **Accounts Receivable Workspace** from the **Primary Navigation Panel**.

You can locate and view your **Billing Profile** (**BPRO**) by entering **BPRO** on **Page Search.**

1. Click on **Search.**
2. Click on **Page Search.**
3. In the **Page Code** field of the **Page Search** enter **BPRO.**
4. Click **Browse.**
5. Click on the **Billing Profile Link.**

The second way to locate and view the Billing Profile you have set up is by accessing the Accounts Receivable Workspace:

1. Click the **Accounts Receivable Workspace link**.
2. Select **Billing and Collections** and open the **BPRO** table.
3. Click **Search**. Enter any of the search criteria.
4. Click **OK**. The **Billing Profile** for your new charges populates.
5. Return to the **Home Page** by selecting **Home.**

## Customer Accounts

A **Customer** is a private entity to whom the Commonwealth of Kentucky provides goods or services. This **customer** transacts with the Commonwealth to pay for the goods or services received. A common example of a customer is an individual who remits payment to the Commonwealth to pay for a professional license, taxes, or use of public facilities.

There are two types of **customers** within eMARS: **regular** and **miscellaneous**. When a code for a regular **customer** is entered on a Receivable document, name and address information associated with the code is inferred from the **Vendor**/**Customer (VCUST) table** and the customer name and address information is stored on the Receivable document.

Miscellaneous **customer** accounts are generally used for one-time **customers** only and for summary receivables. When a code for a miscellaneous customer is entered on a Receivable document, the name and address associated with the customer is not inferred and you must enter the information on the Receivable document manually. A **miscellaneous customer** entered in a summary receivable does not require the customer address information. However, if you enter the customer name and address information, it will be stored with the Receivable document. **The customer code cannot be changed after the Receivable document is accepted.**

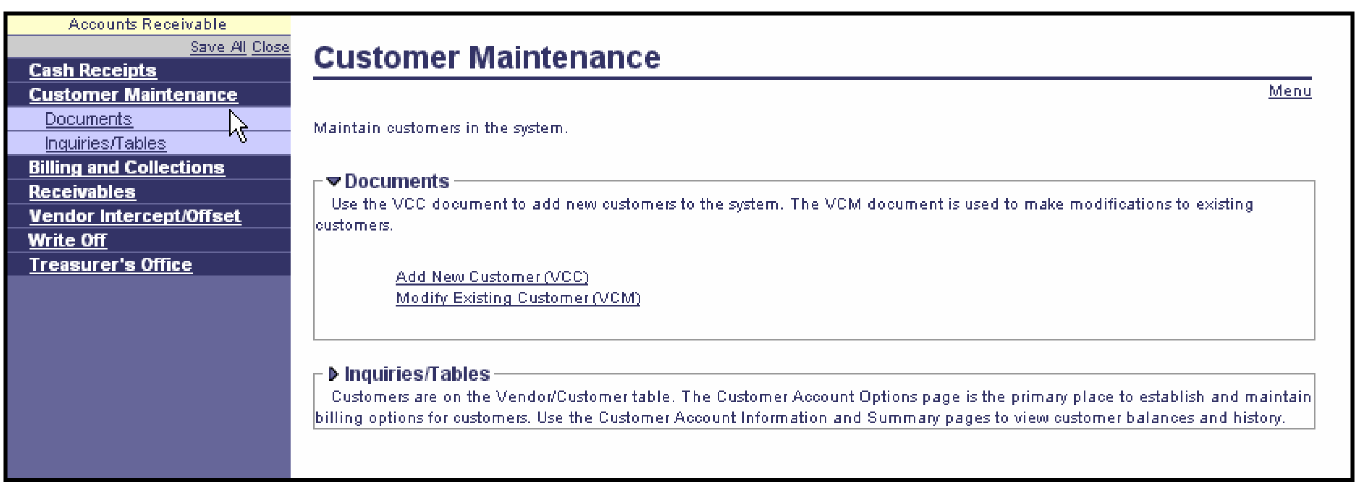
## Establishing a Customer

Before you can create a receivable for a customer, that customer must be established within eMARS. In addition, a **Customer Account (CACT)** must be created. The **Customer Account** links the relationship between the **Customer (CACT)** and a **Billing Profile (BPRO)** and tracks receivables, payments, and other financial information at the customer account level. A Customer Account is specific to a department unless the account is set up with a designation of ALL in the Department Code.

To establish a customer, the **VCC** document is used.

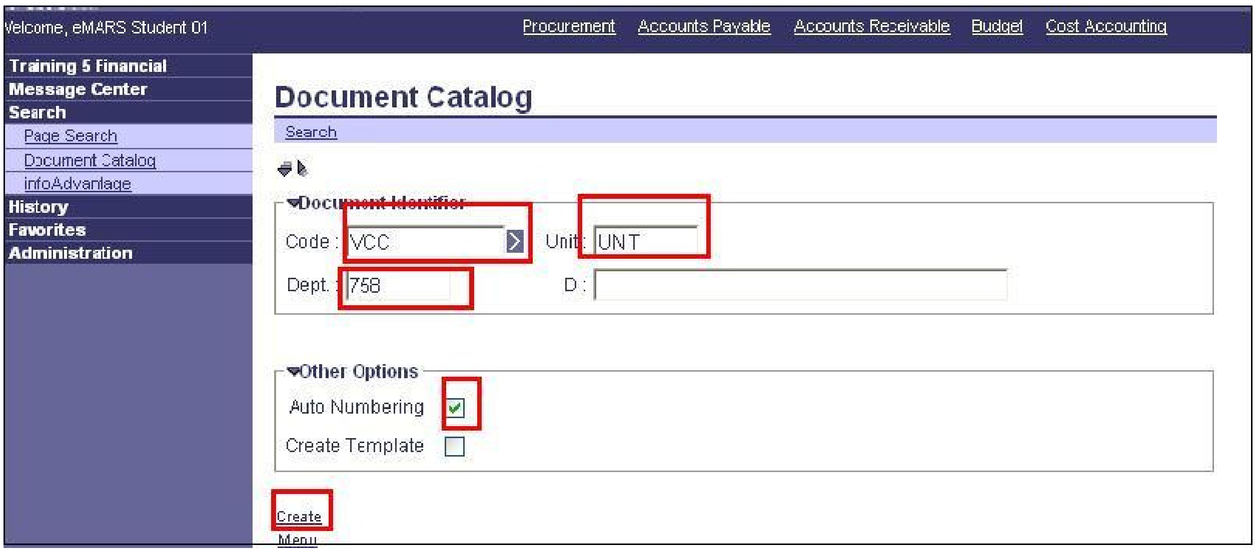
1. Open the **Accounts Receivable Workspace**
2. Select the **Customer Maintenance link** from the **Secondary Navigation Panel**.
3. Click **Add New Customer** (**VCC**) in the **Customer Maintenance Documents** section.

*Customer Maintenance Workspace*



The **Document Catalog** opens to a **VCC** document creation.

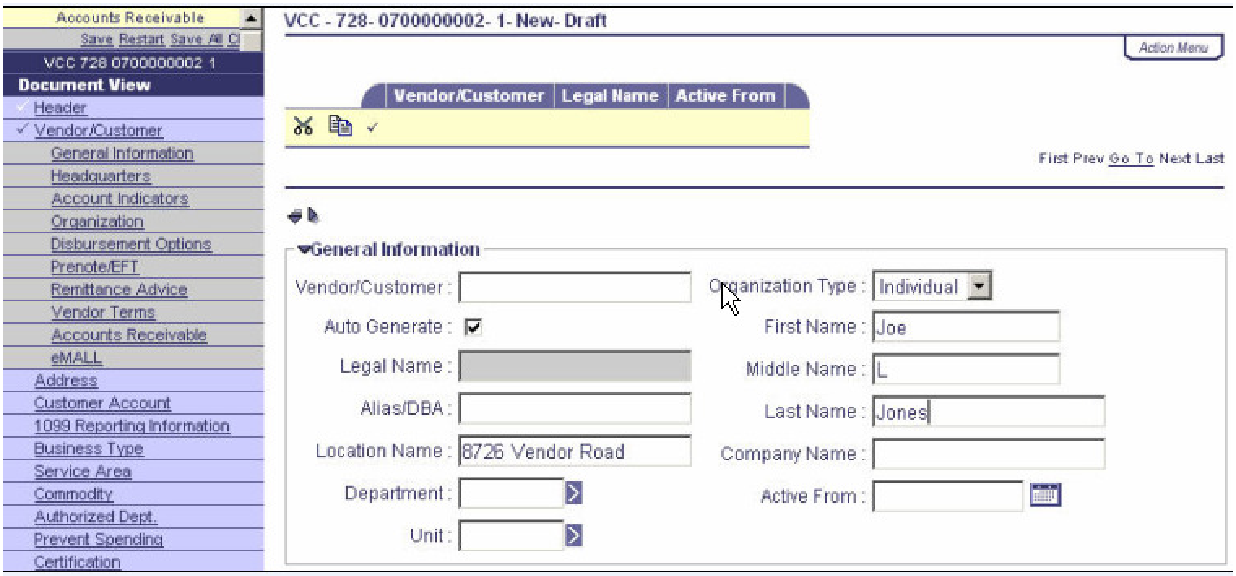
4. Click **Create**. **Enter Dept. Code, Unit Code.**
5. Check **Auto Numbering**.
6. Click **Create**. The **VCC** document opens to the Header.



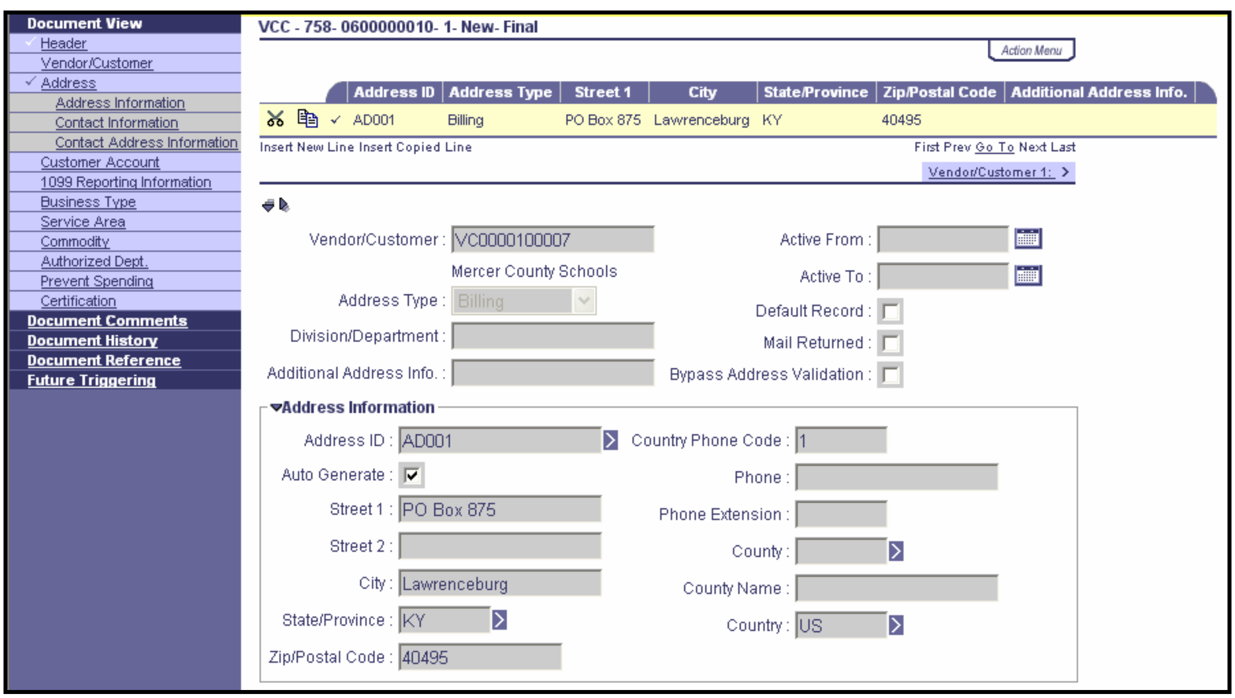
7. Click the **Vendor/Customer** section to enter data.

During the initial creation of a customer, the Customer Account will be created based on information in the Customer Account subsection of the **VCC** document.

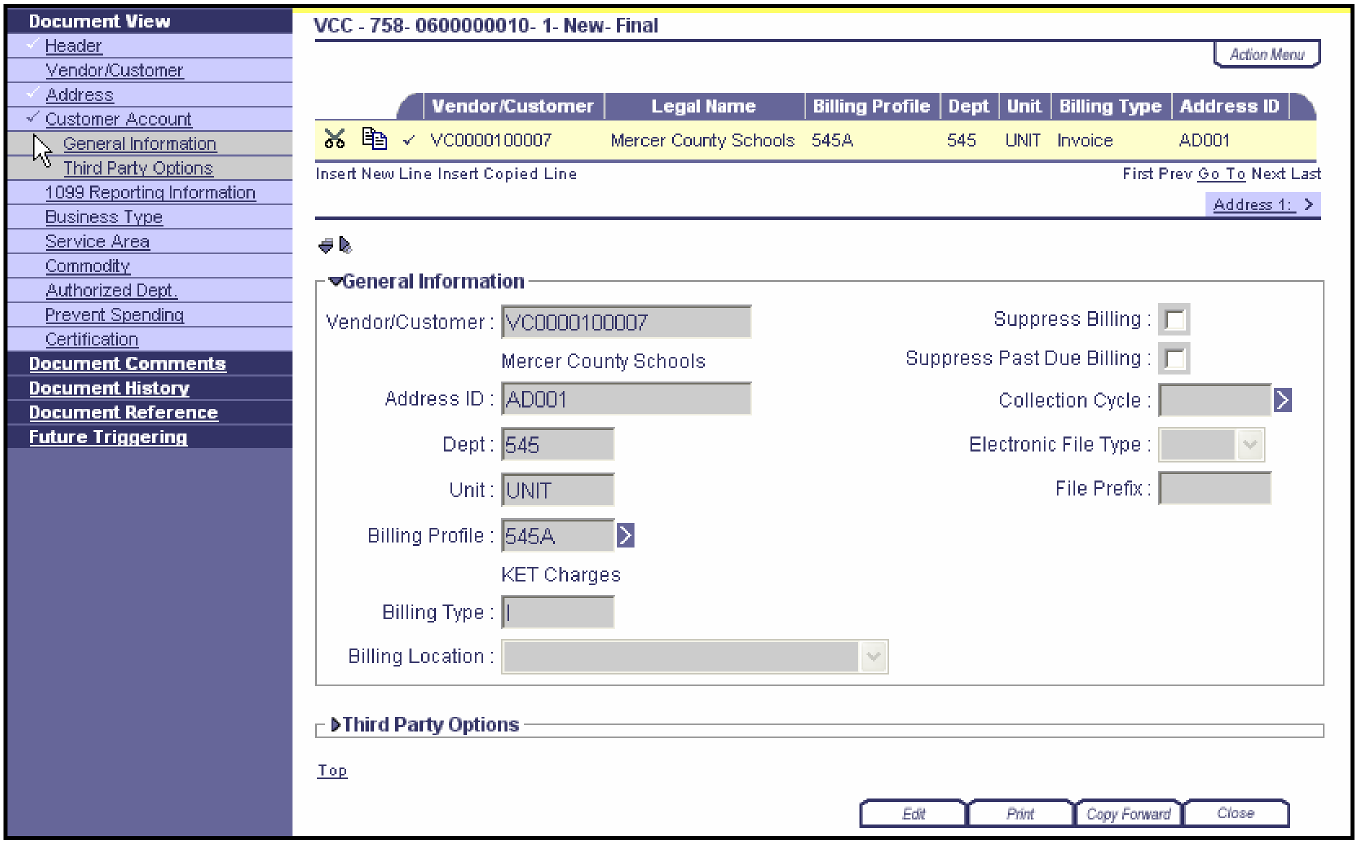
*VCC Document – Vendor/Customer Section*



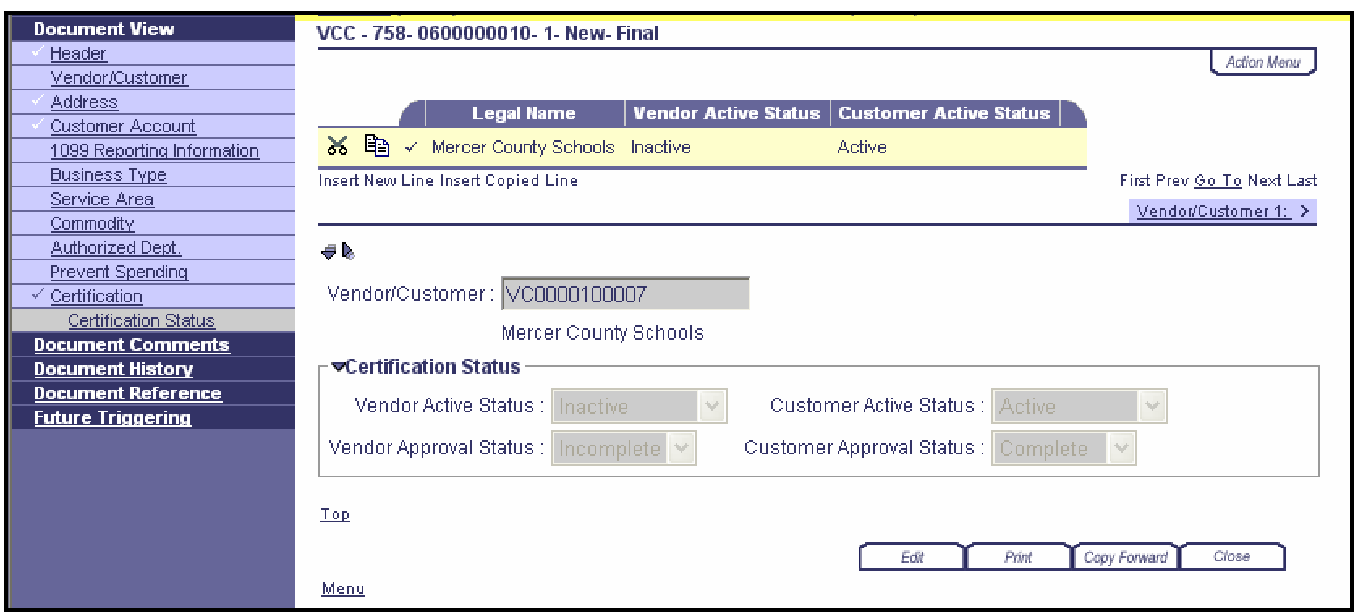

*VCC Document – Address Section*



*VCC Document – Customer Account Section*




*VCC Document – Certification Section*

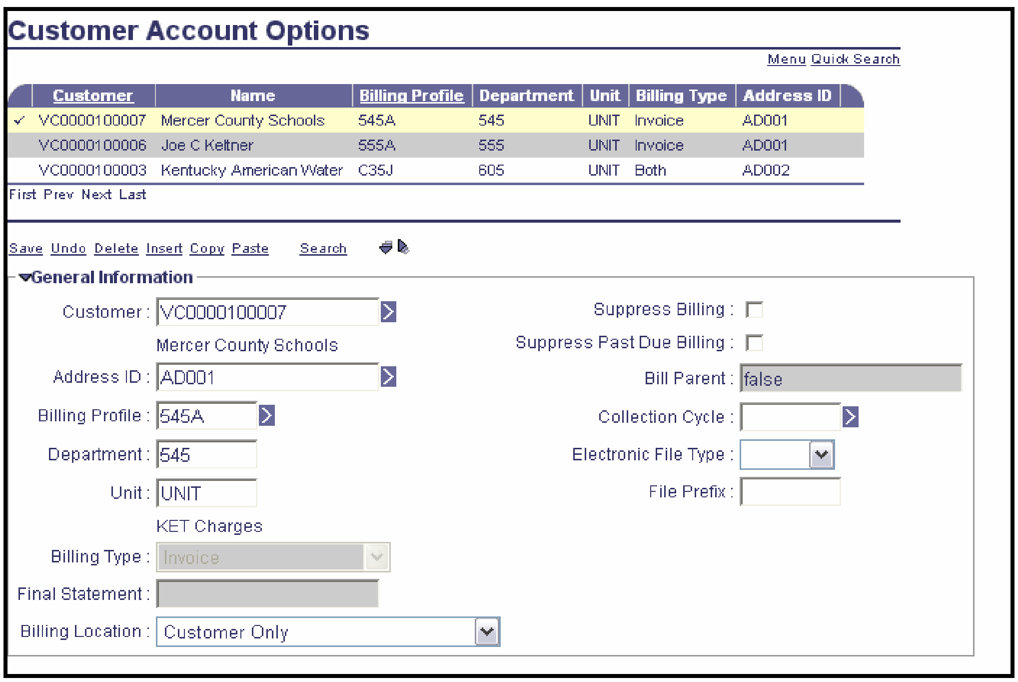


If the customer already exists on the **VCUST** table, but does not have a **Customer Account** with the appropriate **Billing Profile (BPRO)** established, a new **Customer Account** can be created by:

1. Open **Search** from the **Secondary Navigation panel.**
2. Select **Page Search**,
3. Enter **CACT** in the **Page Code** field
4. Select **Browse**. The **CACT** page opens.
5. Enter a valid **Customer ID**, **Address ID**, and **Billing Profile** (**BPRO).**

   Other information related to the specific Customer Account can be entered.
6. Click **Save.**

*Customer Account Options Page*



# Exercise 2 - Create a Customer Account using the VCC document

## Scenario

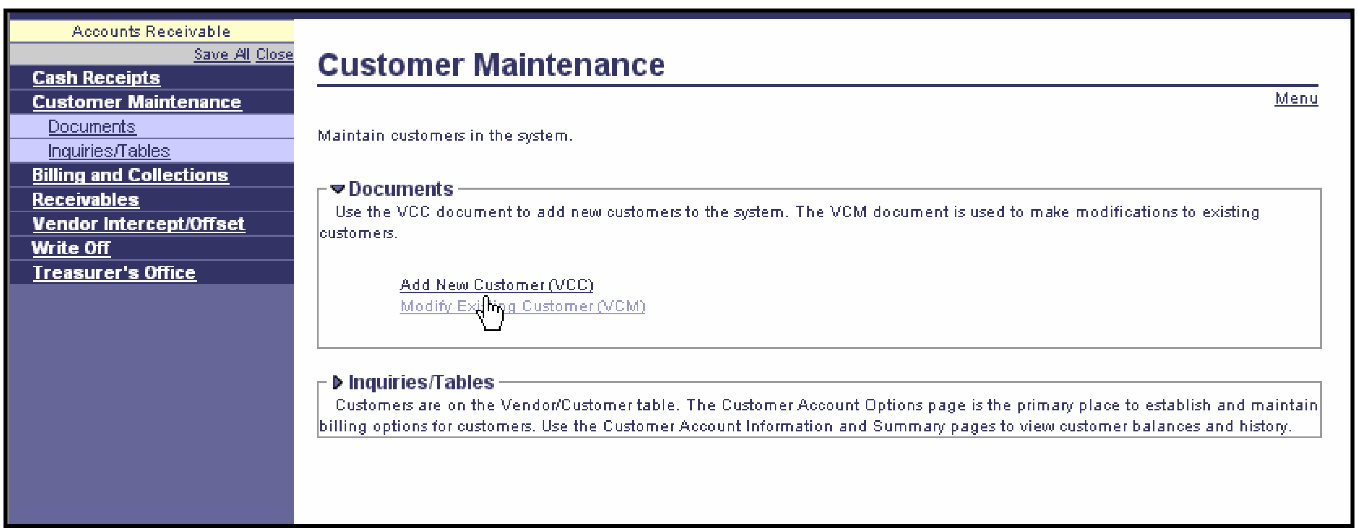
The Commonwealth is doing business with a new customer and you need to establish a **Customer Account**. This customer will be used by all departments.

## Task Overview

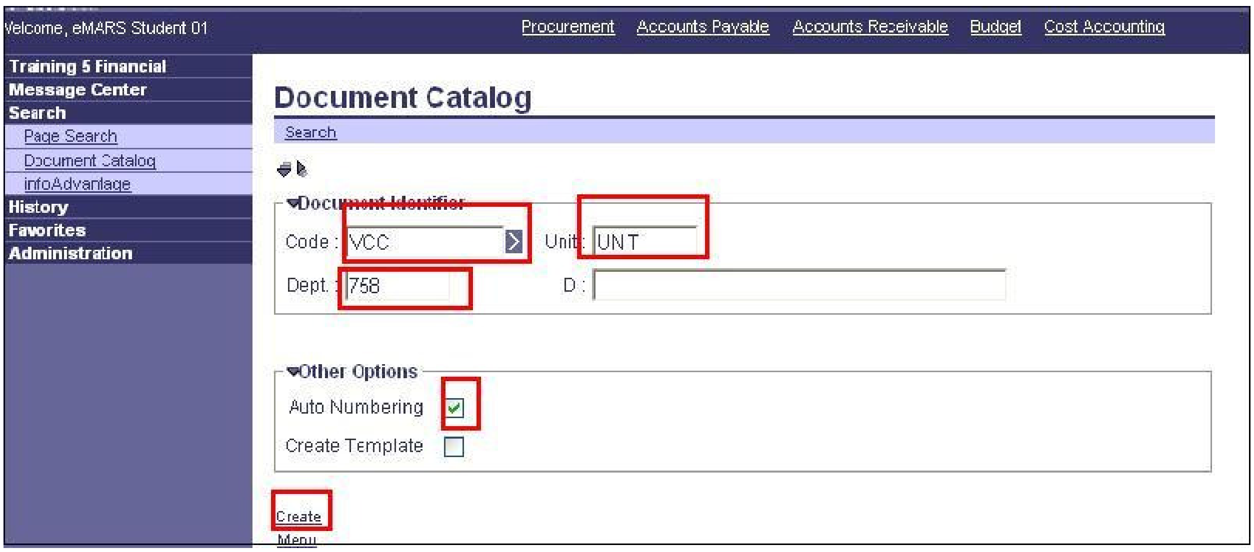
You have already set up a **Billing Profile** in the previous exercise. You now need to establish the customer on the **Customer Account (CACT**) table using the **VCC** document. You will select a name and profile for the customer to complete the exercise.

## Procedures

1. Open the **Accounts Receivable Workspaces**.
2. Select the **Customer Maintenance link** from the **Secondary Navigation Panel**. The Documents section opens.
3. Select **Add New Customer** (**VCC**). The **Document Catalog** opens to the **VCC** Documents list.



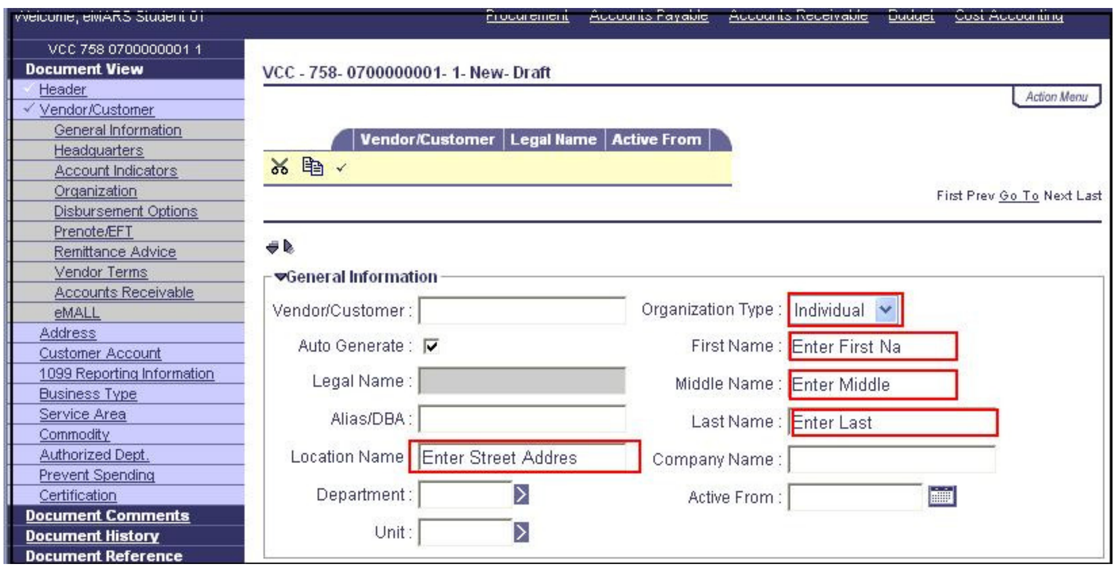
1. Click **Create**.
2. Enter the **Dept. Code** and **Unit Code** from your Student Card.
3. Select **Auto Numbering.**
4. Click **Create**. The **VCC** document opens to the **General Information section. You will not complete any information in the Header.**




5. Click **Vendor/Customer** from the **Secondary Navigation panel**. The page opens to the General Information section available for editing.

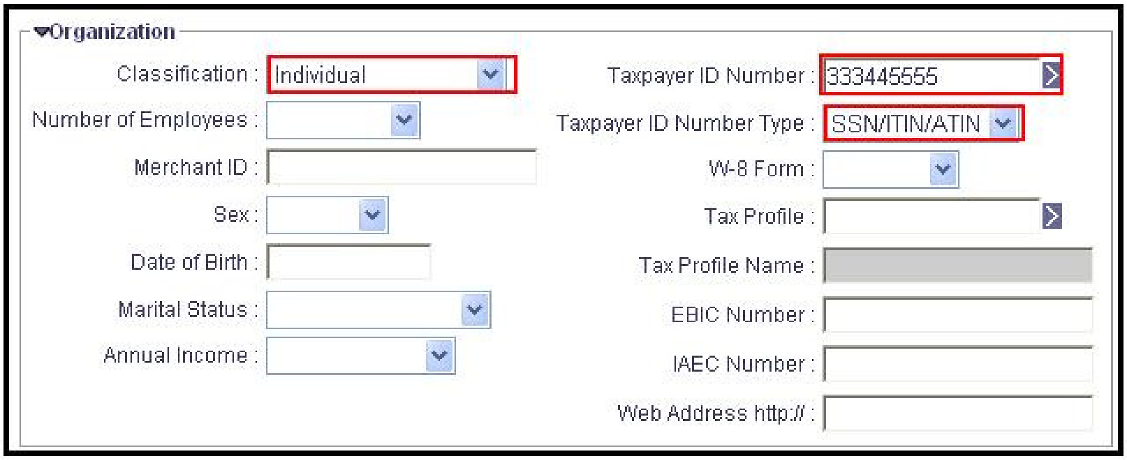
6. Enter the following information:

| Required Fields | Values |
|---|---|
| Auto Generate | Check this box to produce a system-generated vendor code |
| Organization Type | Select Individual |
| First Name | Enter your first name |
| Middle Name | Enter your middle initial |
| Last Name | Enter your last name |
| Location Name | Enter your street address |

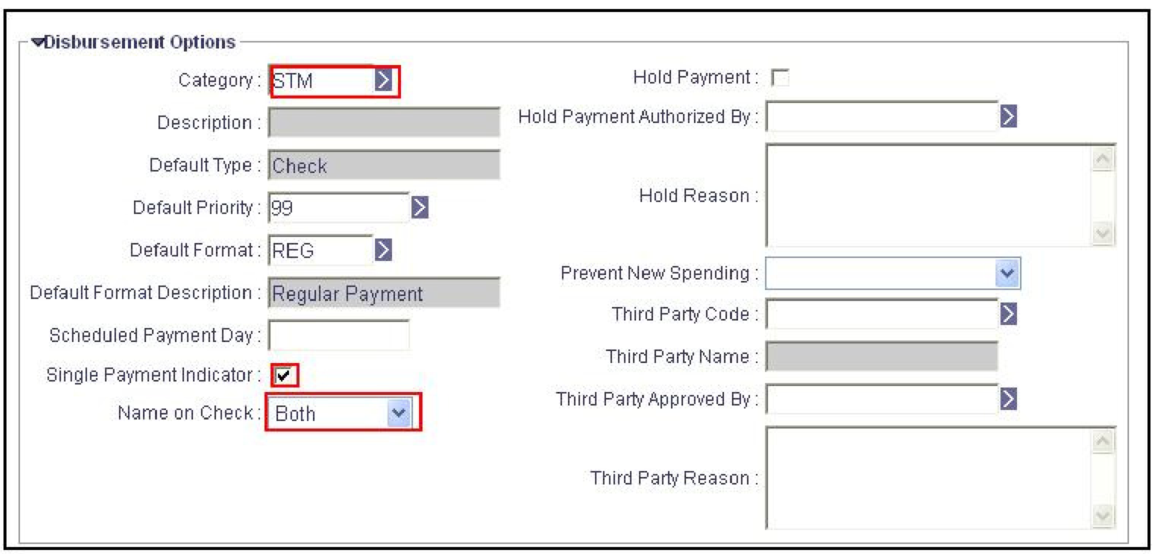


7. Open the **Organization** subsection. Enter the following information:

| Required Fields | Values |
|---|---|
| Classification | Select Individual from the Drop Down |
| Tax ID Number | Enter 333445555 (mock SSN)<br>(Enter 999999999 if the customer will not provide the number.) |
| Taxpayer ID Number Type | SSN/ITIN/ATIN |




*Disbursement Options*

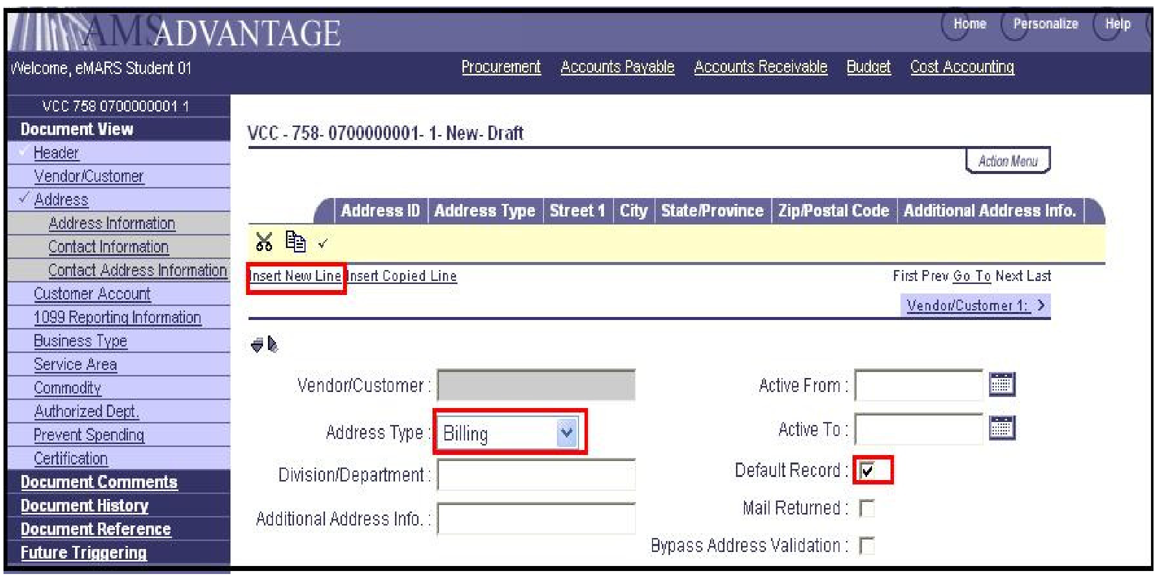



8. Enter the following information in the **Disbursement Options** subsection.

| Required Fields | Values |
|---|---|
| Category | Select STM from the Pick List |
| Single Payment Indicator | Check the Box |
| Name on Check | Select Both from the Drop Down List |

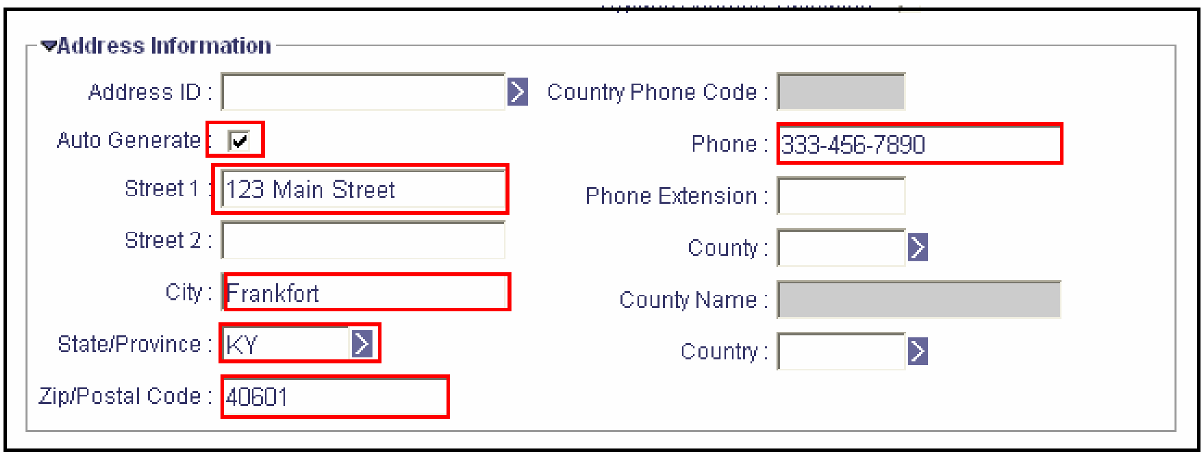
9. Click **Save** on the **Document Toolbar** at the bottom of the page. The **Customer/Vendor** number field will populate.
10. Select **Address** on the **Secondary Navigation panel**.
11. Click **Insert New Line** at the top of the page.
12. Enter the following information:

| Required Fields | Values |
|---|---|
| Address Type | Billing - Select from the Drop Down |
| Default Record | Check this box |



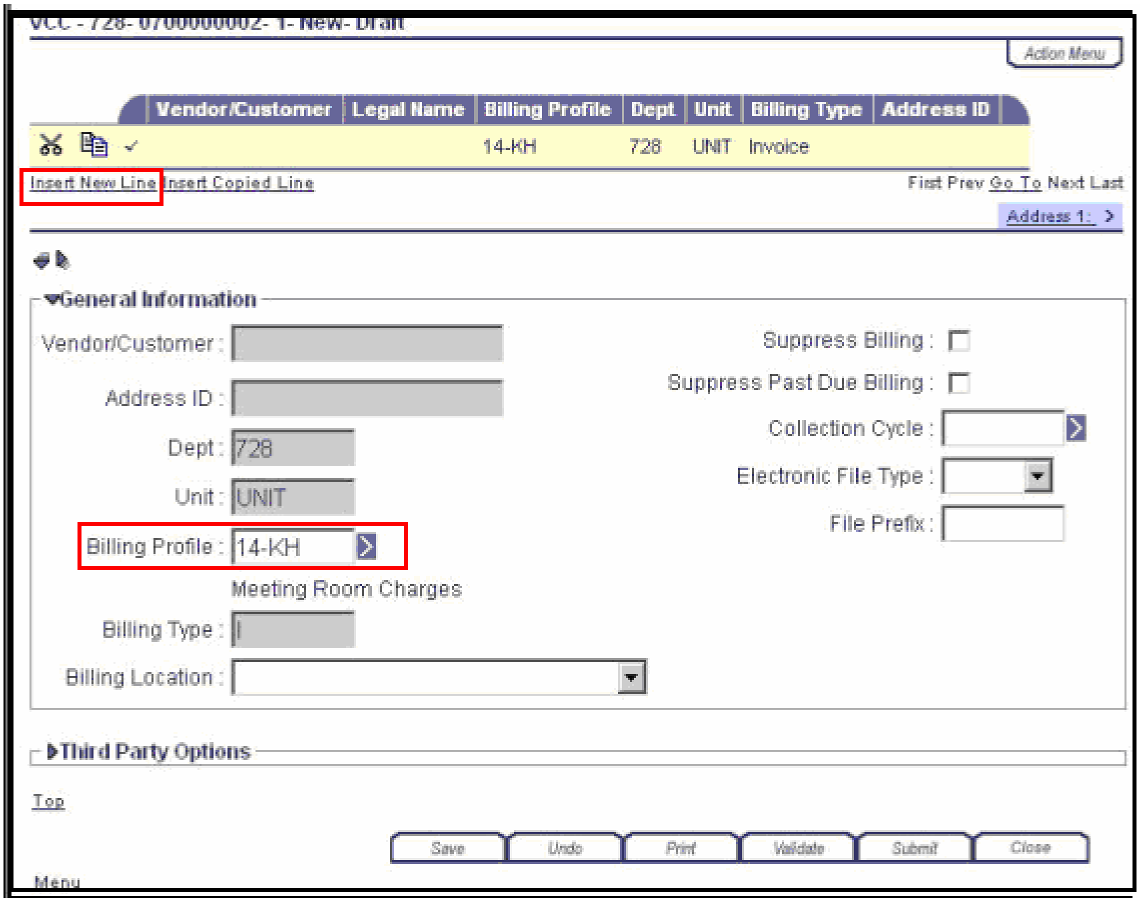
13. Open the **Address Information** section. Enter the following information:

| Required Fields | Values |
|---|---|
| Auto Generate | Select this box. This will automatically generate the address code. |
| Street 1 | 123 Main Street |
| City | Frankfort |
| State/Providence | Ky |
| Zip Code/Postal Code | 40601 |
| Phone | 333-456-7890 |



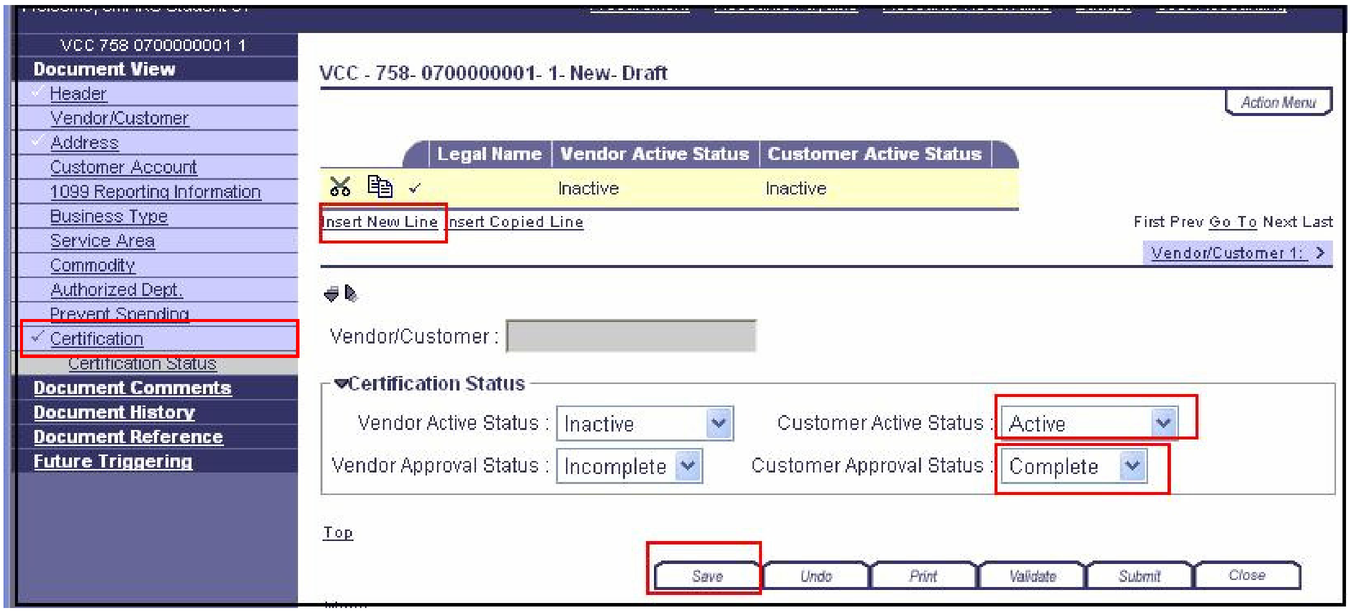

14. Click **Save** on the **Document Toolbar**. Notice the Vendor/Customer field is now populated.

15. Open the **Customer Account section** on the **Secondary Navigation panel.** The **Customer Account** page opens.
16. Click **Insert New Line**.
17. Select **Billing Profile** (**BPRO**) from the **Pick List**. Select the profile you created in the previous exercise for meeting room charges.




18. Click **Save** on the **Document Toolbar** to save the record.

19. Open the **Certification** section from the **Secondary Navigation panel**.
20. Click **Insert New Line** and enter the following information:




| Required Fields | Values |
|---|---|
| Customer Active Status | **Active -** Select from the Drop Down List |
| Customer Approval Status | **Complete -** Select from the Drop Down List |

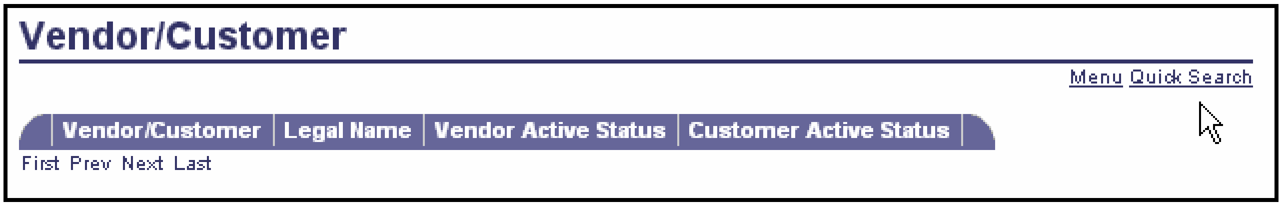
NOTE: **Vendor Active Status** should be *Inactive*

**Vendor Approval Status** should be Incomplete. These should be the default values for new customers.

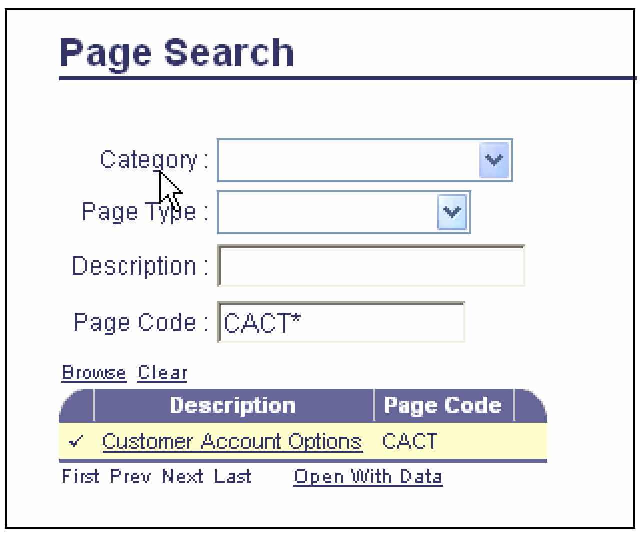
When setting up an existing vendor as a customer, **Vendor Active Status** will be Active and **Vendor Approval Status** will be *Complete*.

21. Click **Save** and **Validate** on the **Document Toolbar**. Correct any errors and click **Validate** again.
22. Click **Submit**. You have successfully set up a **Customer Account**.
23. Click **Close** on the **Document Toolbar** to close the document. This returns you to the **Workspaces** open page.

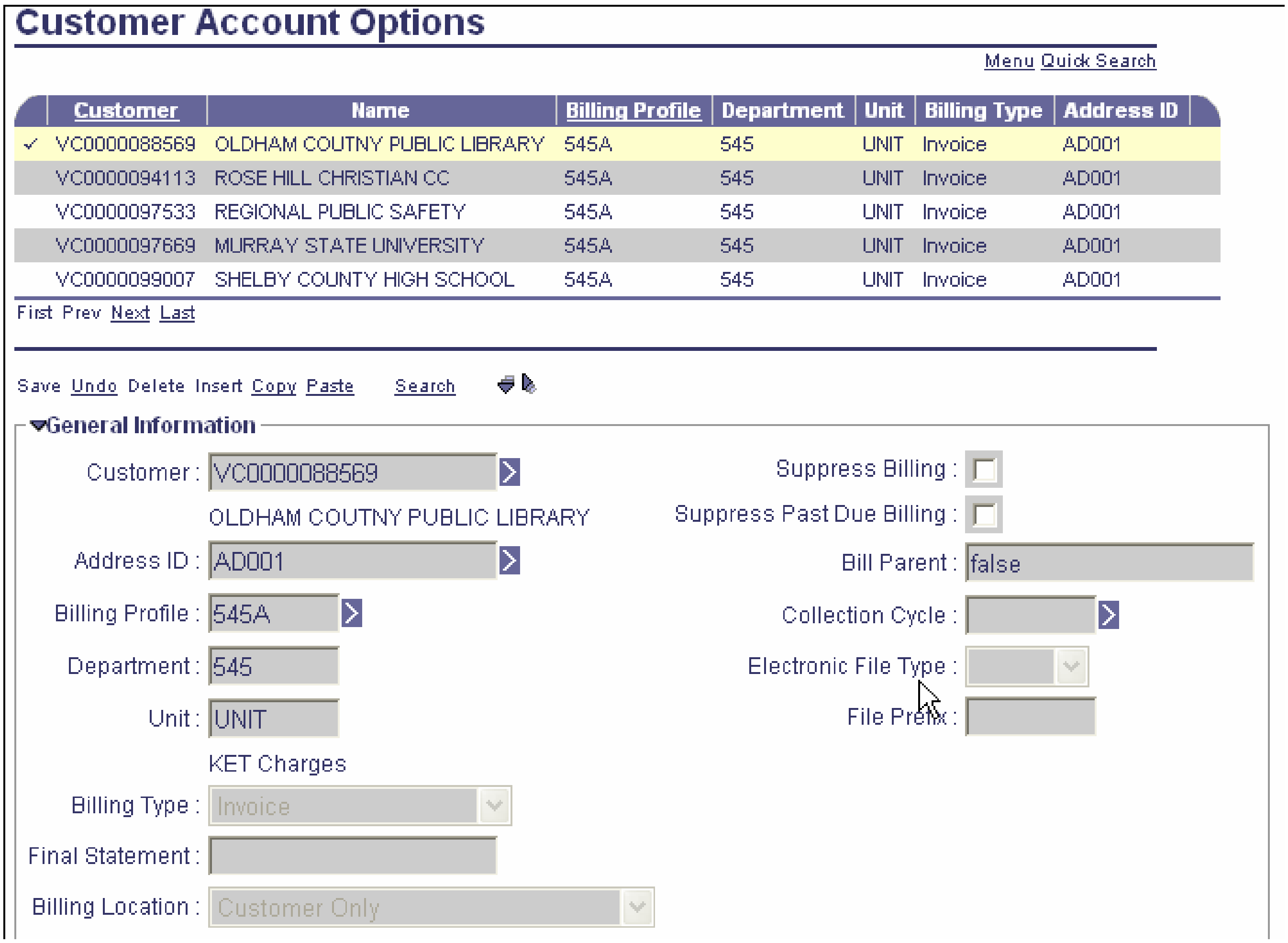
24. Select **Vendor Customer Table** **(VCUST)** from the **Secondary Navigation panel.**
25. Click **Search**.
26. Enter your last name into search criteria and click **OK.** Your Customer record is returned.
27. Click **Quick Search** in the upper right corner. **Page Search** opens.




28. Enter **CACT** in the **Page Code** field to open the **Customer Account Search** page.
29. Click on the **Customer Account Options link** to review **the Customer Account** table (**CACT).**



*Customer Account (**CACT**) TABLE*




30. Click the **Home** Action Button to return to the **Home** Page.

# Receivable (RE) Document

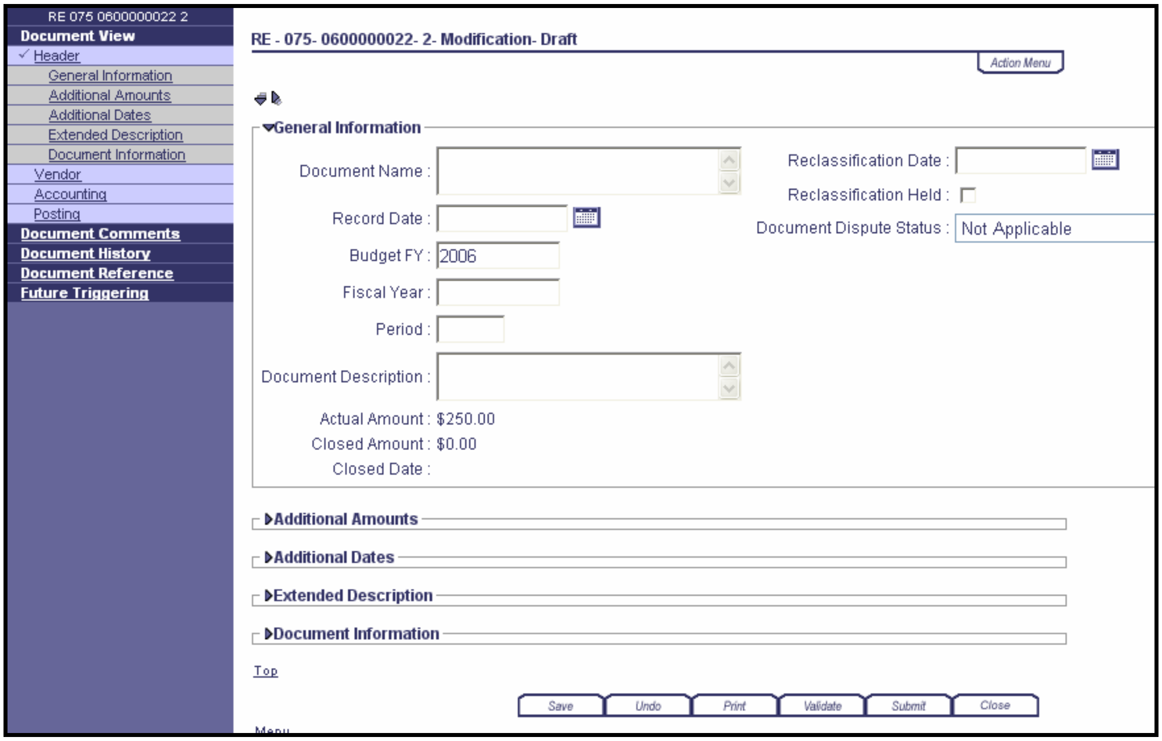
A **Receivable** (**RE**) Document is used to bill customers for goods or services. It is an accounting transaction that triggers the billing process and tracks receivable events to recognize that money earned now will be received in the future. Invoices are sent to customers for goods and services provided and/or fulfillment of an order, completion of work, etc. The billing process records amounts legally owed to the Commonwealth. It can be a revenue event, a vendor refund or it can be unearned revenue. There are two types of receivables:

- **Regular Receivable** – This is the default receivable and typically results in the generation of an invoice or statement to bill customers within eMARS. A regular receivable is eligible for the accrual of finance charges and other collection actions.
- **Summary Receivable** – A Summary Receivable is used to record accounts receivable information maintained in separate systems outside eMARS. Summary receivables are used to facilitate budget control and reporting. They help link processes occurring outside eMARS to the overall revenue/receivable management numbers tracked within eMARS. For agencies using their own accounts receivable subsystems, summary receivable information can be sent from the offline system, or manually entered and recorded as an accounting event in eMARS. Invoices are not produced for these summary receivables.

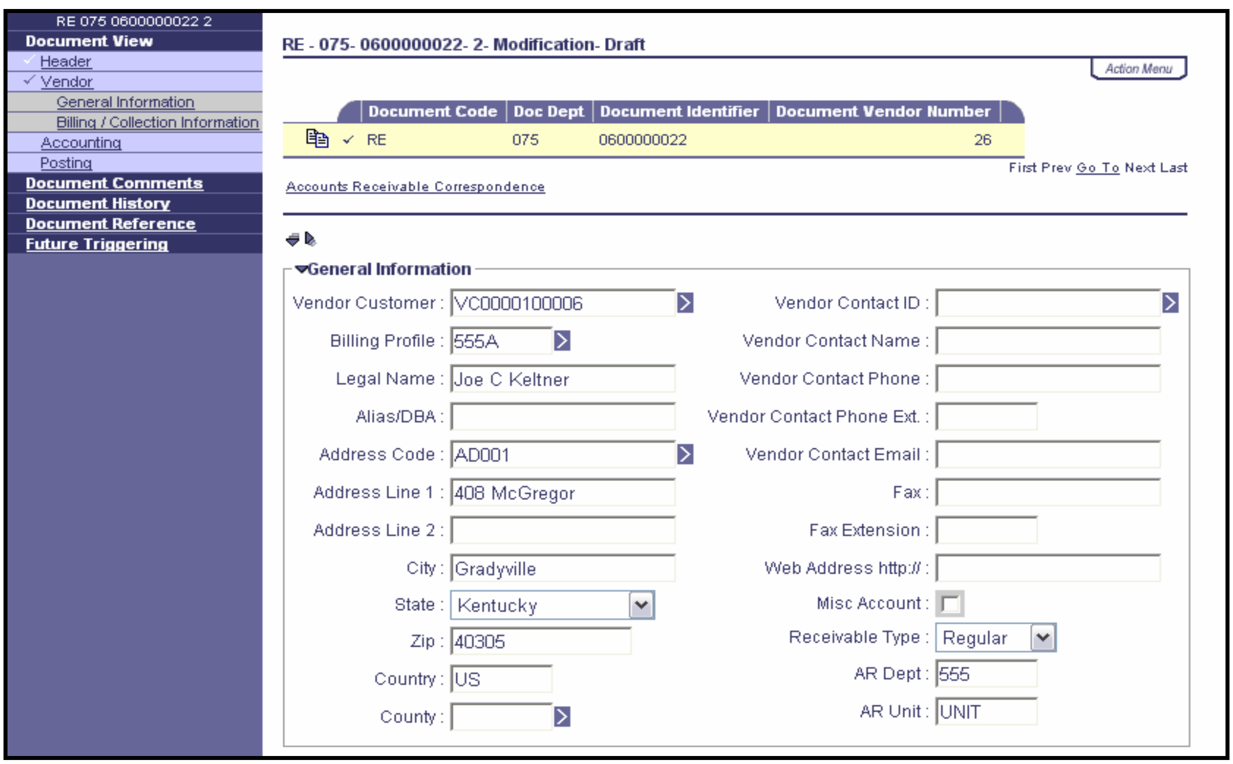
To create an **RE** document,

1. Open the **Accounts Receivable Workspace.**
2. Select **Receivables** from the **Secondary Navigation Panel.**
3. Click on the **Receivable Document (RE**) link in the **RE Document** section.
4. The **Document Catalog** opens with the **RE** document list populated.
5. Click **Create**.
6. Enter the **Dept**. **Code, Unit Code.**
7. Select **Auto Numbering** to create a new **RE** document. The new **RE** document opens to the **Header General Information** section.

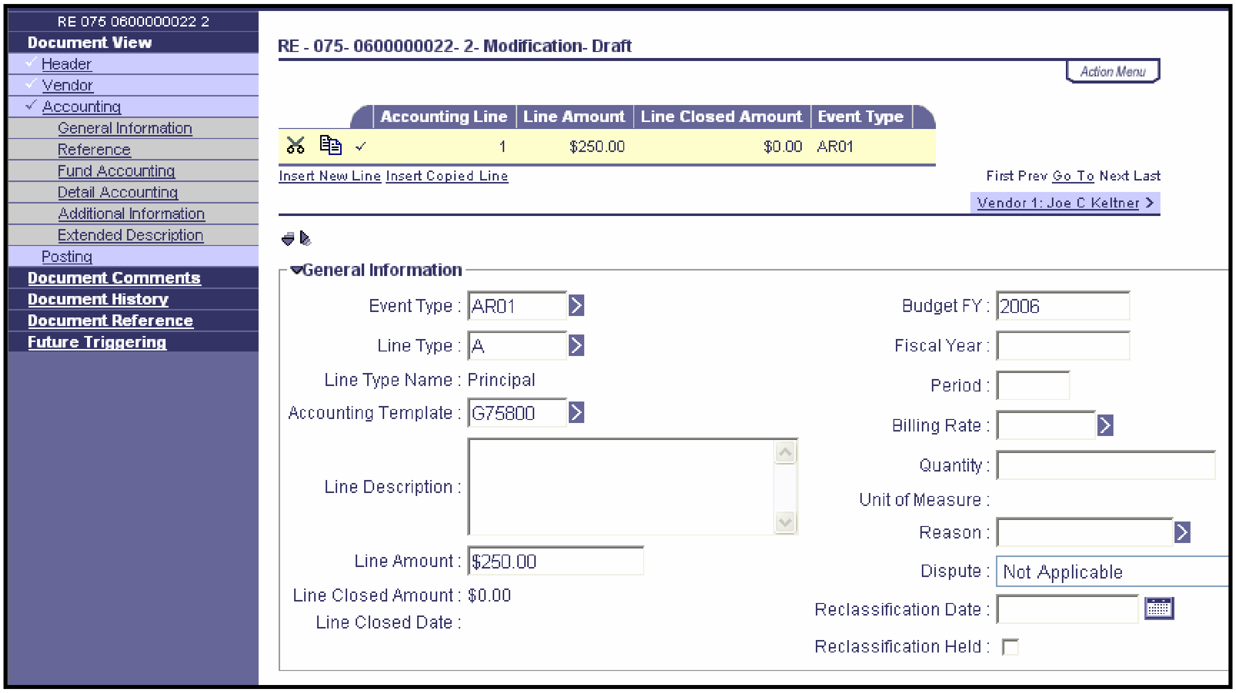
## ***RE** Document – Header Section*



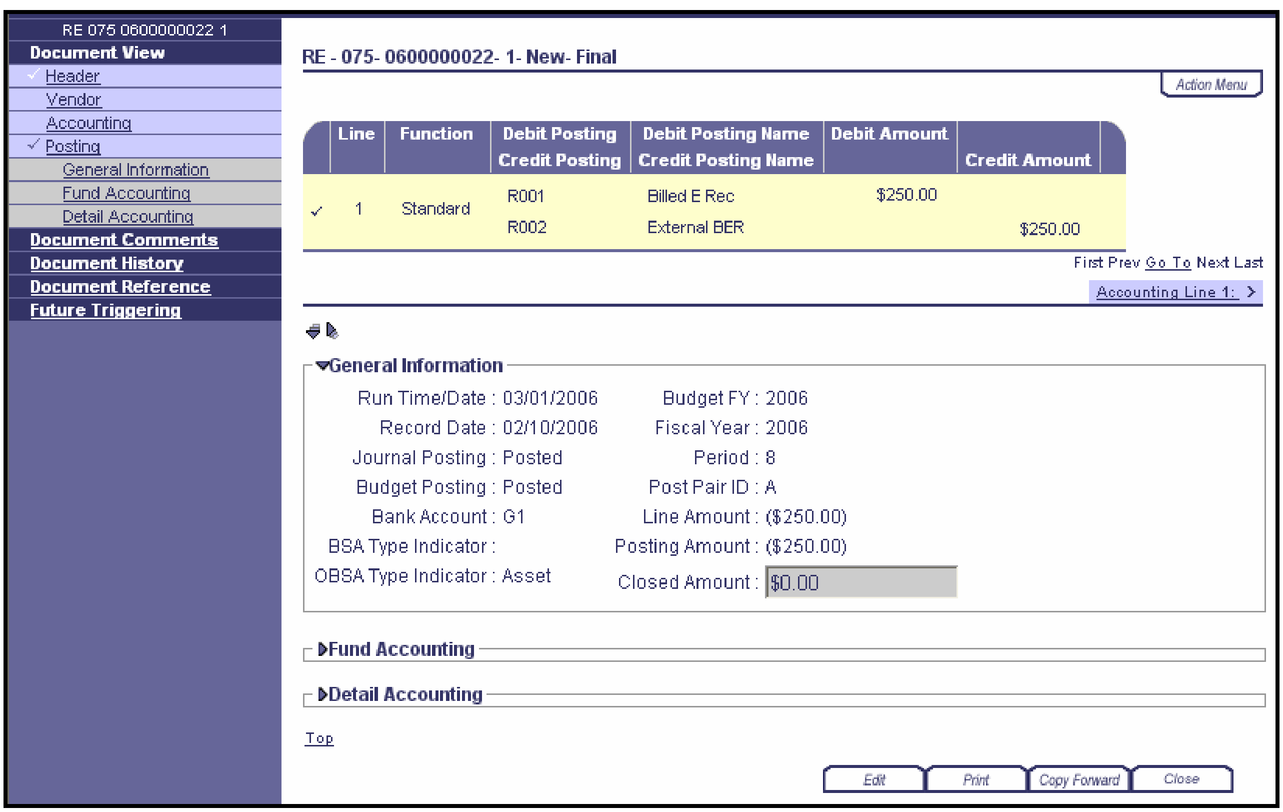

## ***RE** Document – Vendor Section*



*__RE__ Document Accounting Section*




*__RE__ Document – Posting Section*



## Accounting Templates

The use of **accounting templates** will simplify the entry of accounting information. An **Accounting Template** is selected from the Pick List in the **Accounting subsection**.

Open the **Pick List** to choose an **Accounting Template**.

You can **Search** for the **Accounting Template** code or Name. The template will automatically populate the appropriate accounting element fields. This will be illustrated when completing the exercises for the **RE** document.

**Choose**

Browse Clear

Accounting Template : F*　　Name :

Department :　　Department Name :

Active :

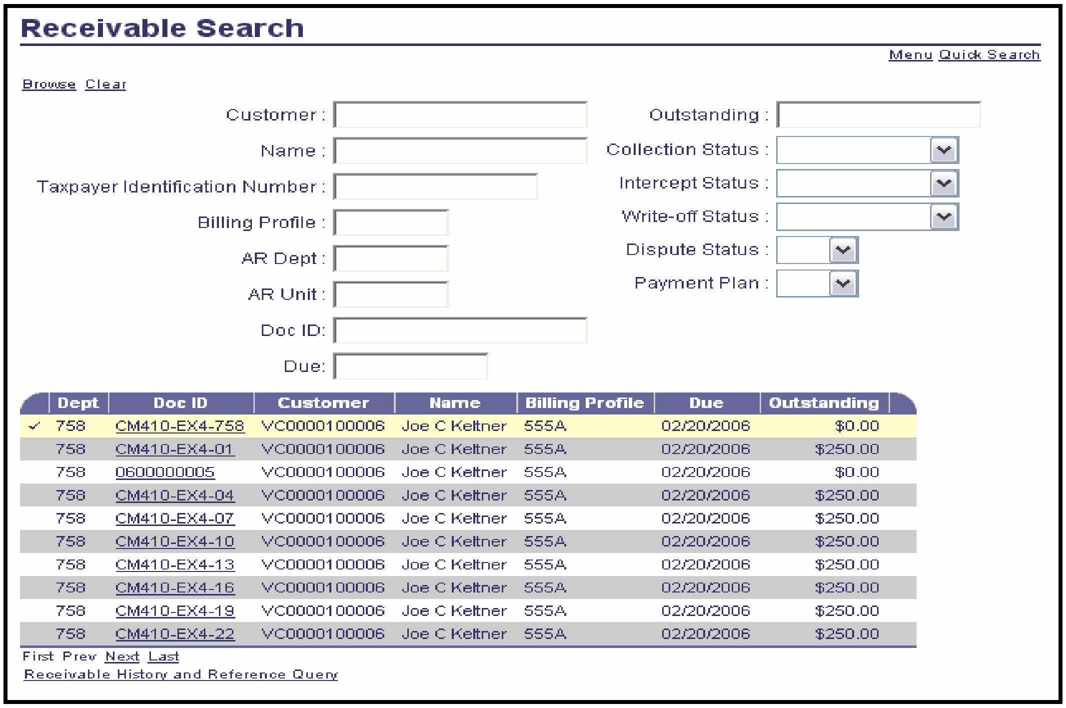
| | Accounting Template | Name | Department | Department Name | Active |
|---|---|---|---|---|---|
| Select | E07532 | 075--E212 | 075 | KHEAA | true |
| Select | E075R1 | 075-General Revenue | 075 | KHEAA | true |
| Select | F13000 | 130 - Revenue Budget | 130 | Revenue | true |
| Select | FKEESR | KEES | 075 | KHEAA | true |
| Select | G54321 | 758-Water Utilities | 758 | Fin Controller | true |
| Select | G75800 | 758-Function BAA0 | 758 | Fin Controller | true |
| Select | G75801 | 758-Electric Utilities | 758 | Fin Controller | true |
| Select | G75802 | 758-Office Supplies | 758 | Fin Controller | true |
| Select | G75805 | Administration | 758 | Fin Controller | true |
| Select | G75810 | 758--Computer | 758 | Fin Controller | true |

Cancel　First Previous Next Last

# RDET Table

The payments applied against receivables and/or customer accounts can be viewed through online inquiries. The **Receivable History and Reference (RDET)** table tracks which receivables have been paid by the customer and which are still outstanding.  After entering the **Customer ID**, the Receivable History will display a list of Receivable (**RE**) documents in the system for the customer.

***RDET** Table – Receivable Search*


Receivable Search

Menu Quick Search

Browse Clear

Customer :
Name :
Taxpayer Identification Number :
Billing Profile :
AR Dept :
AR Unit :
Doc ID:
Due:
Outstanding :
Collection Status :
Intercept Status :
Write-off Status :
Dispute Status :
Payment Plan :

| | Dept | Doc ID | Customer | Name | Billing Profile | Due | Outstanding |
|---|---|---|---|---|---|---|---|
| ✓ | 758 | CM410-EX4-758 | VC0000100006 | Joe C Keltner | 555A | 02/20/2006 | $0.00 |
| | 758 | CM410-EX4-01 | VC0000100006 | Joe C Keltner | 555A | 02/20/2006 | $250.00 |
| | 758 | 0600000005 | VC0000100006 | Joe C Keltner | 555A | 02/20/2006 | $0.00 |
| | 758 | CM410-EX4-04 | VC0000100006 | Joe C Keltner | 555A | 02/20/2006 | $250.00 |
| | 758 | CM410-EX4-07 | VC0000100006 | Joe C Keltner | 555A | 02/20/2006 | $250.00 |
| | 758 | CM410-EX4-10 | VC0000100006 | Joe C Keltner | 555A | 02/20/2006 | $250.00 |
| | 758 | CM410-EX4-13 | VC0000100006 | Joe C Keltner | 555A | 02/20/2006 | $250.00 |
| | 758 | CM410-EX4-16 | VC0000100006 | Joe C Keltner | 555A | 02/20/2006 | $250.00 |
| | 758 | CM410-EX4-19 | VC0000100006 | Joe C Keltner | 555A | 02/20/2006 | $250.00 |
| | 758 | CM410-EX4-22 | VC0000100006 | Joe C Keltner | 555A | 02/20/2006 | $250.00 |

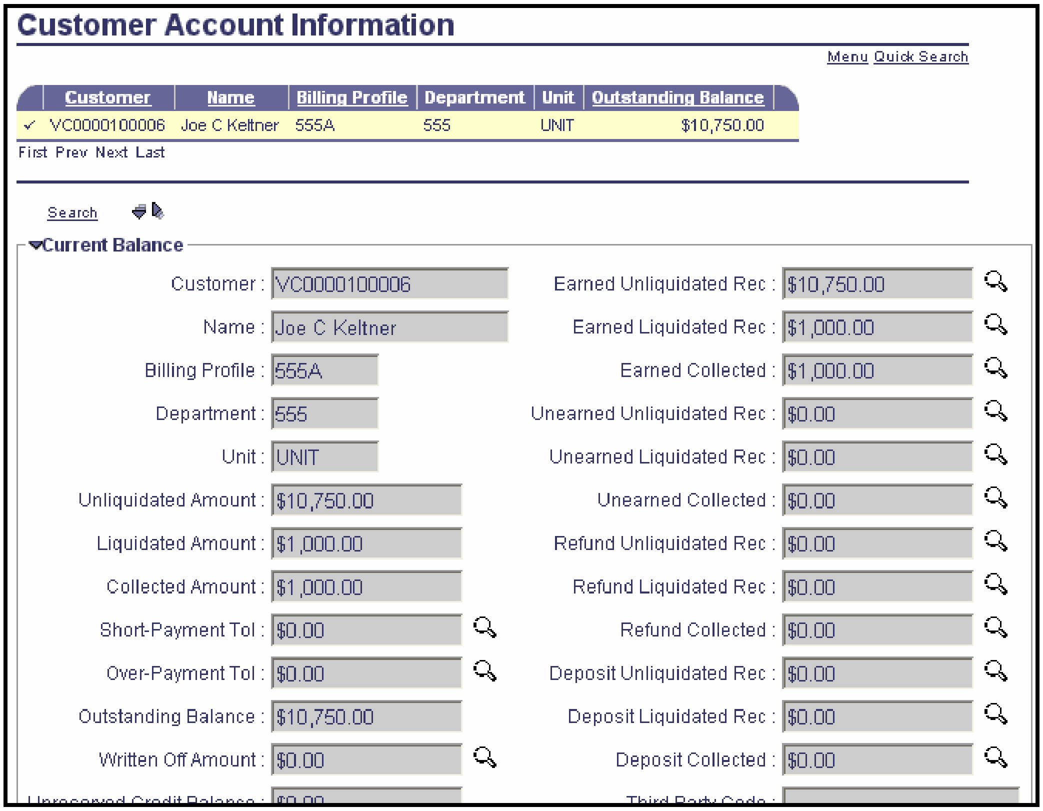
First Prev Next Last

Receivable History and Reference Query

# CUSTA Table

The **Customer Account Information** (**CUSTA**) table provides current balance information on each of the receivables in the customer account. By selecting the magnifying glass icon by any field, you can drill down to see detailed information on the item. The eMARS security setup ensures that agencies only see their own transactions online.

***CUSTA** Table – Current Balance*



# Workflow and the Approval Process

Workflow routes certain documents through approval stages based on system parameters. When a user submits a document, eMARS will automatically validate the document. If no errors are encountered at that time, then the document will successfully submit into workflow, ready for the first approval level. If no errors are encountered upon the last approval of the document, the document is approved and posted to Final. However, if errors are encountered upon final approval, eMARS will automatically remove ALL approvals from the document and place the document back in "Draft" phase pending the submitter's corrections. The corrected document will have to be submitted again and all approvals applied.

Workflow routes the **RE** document through approval stages by assigning it to **Worklists** for the appropriate approvals. A **Worklis**t contains a listing of documents assigned to you or to your team requiring approval. In training, the documents will go immediately to Final but in production, the documents will enter workflow for approval.

# Exercise 3 — Process a Receivable (RE)

## Scenario

Services have been provided to a new customer of Transportation and you need to bill them for these services.

## Task Overview

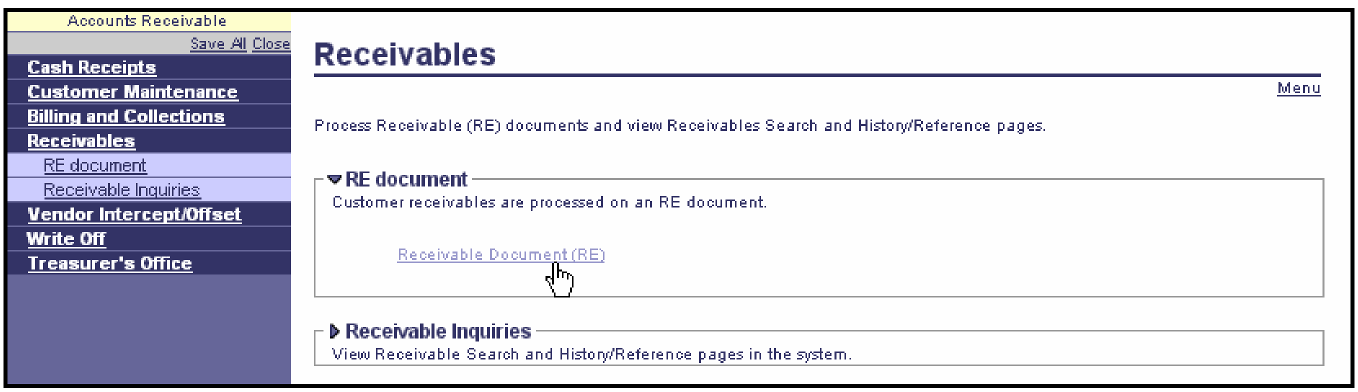
You need to create an **RE** document to bill the customer in the amount of $2500 for two State Highway Engineering Manuals.

## Procedures

8 Select **Accounts Receivable** from **Workspaces** in the **Primary Navigation Panel**.

8 Select the **Receivables** link from the **Secondary Navigation Panel**.

8 Click **Receivable Document (RE)** in the **RE** Document section.

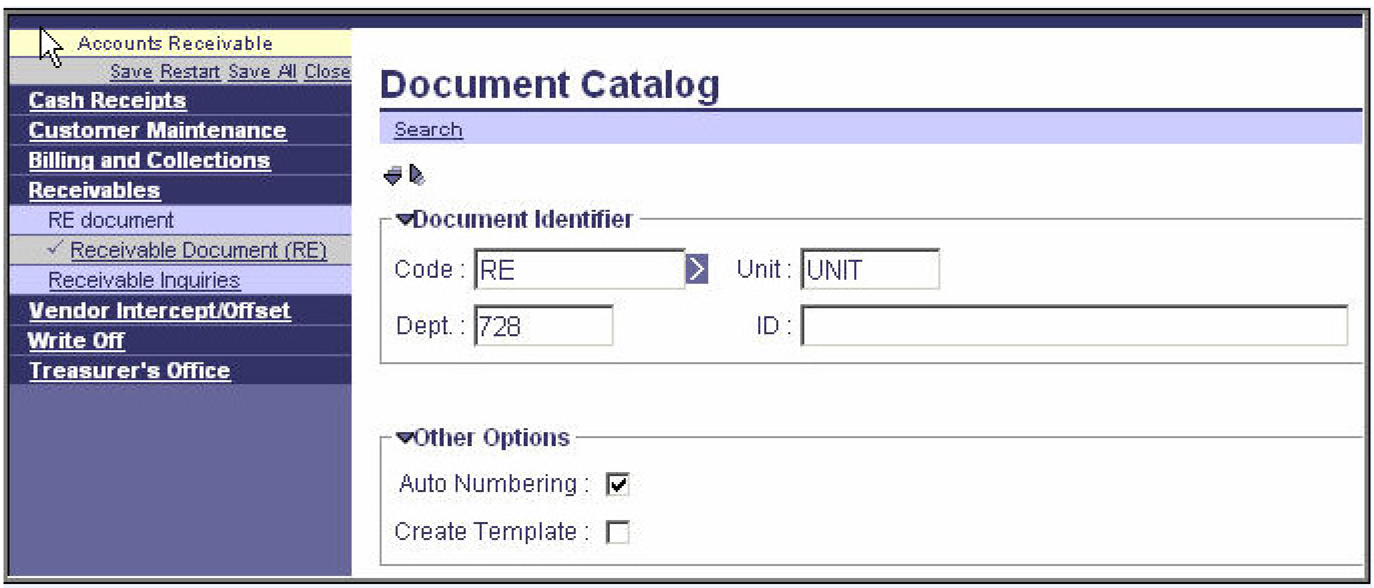


8 The **Document Catalog** opens with the **RE** document list populated.

8 Click **Create.**

8 Enter the following information in the Document Identifier.

| Required Fields | Values |
|---|---|
| Code | **RE** |
| Dept | See Student Card |
| Unit | Unit |
| ID | Select Auto Numbering |




***Make a note of the Document ID to use later in this exercise and Exercise 4.*** ____________________

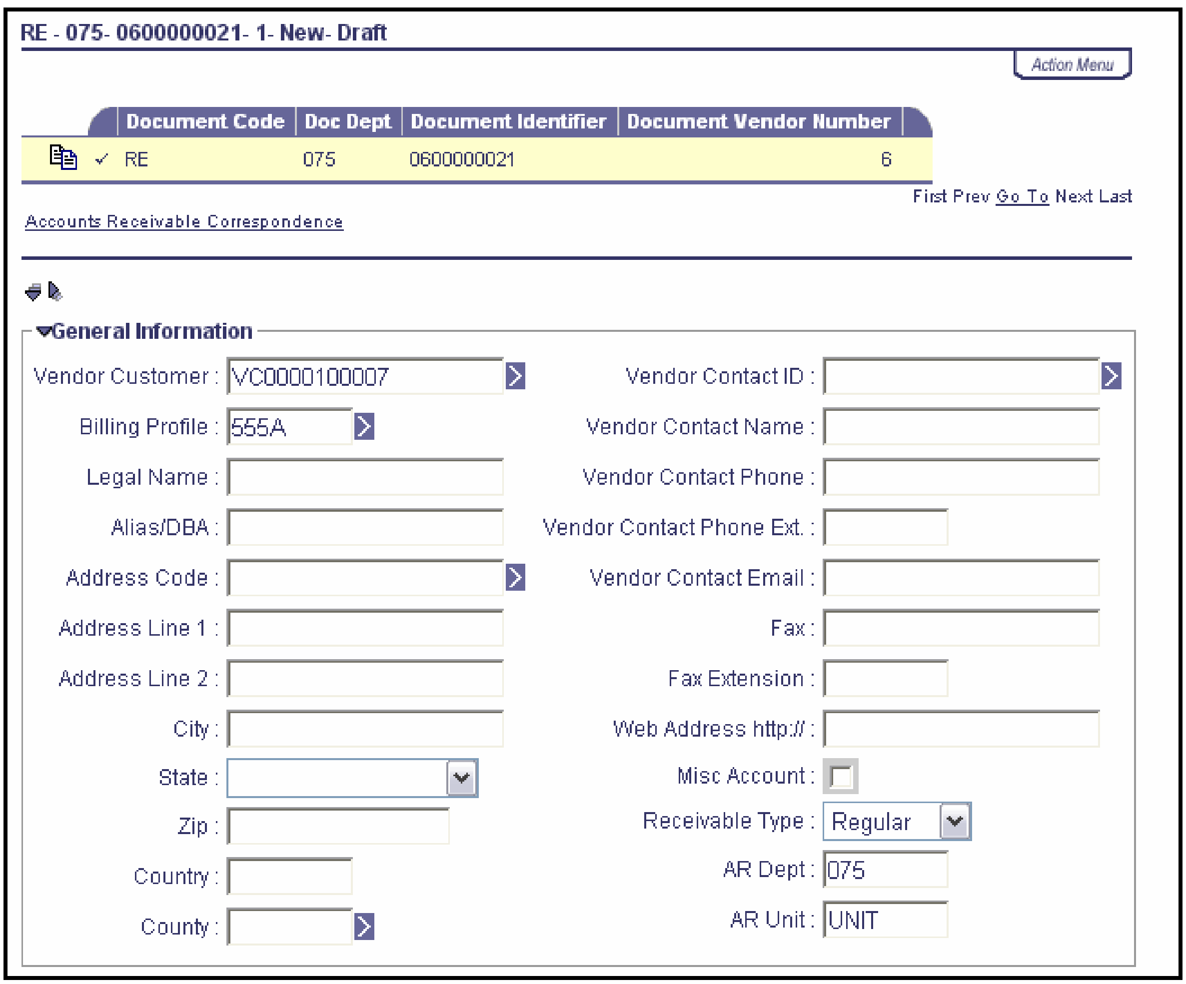
7. Click **Create**. The page opens to the **General Information section.**

   **You will not enter any information in this section.**

8. Open the **Extended Description** section from the **Secondary Navigation panel**. Enter a description of the Engineering Manuals being billed. **This information *will print* on the invoice or statement.**

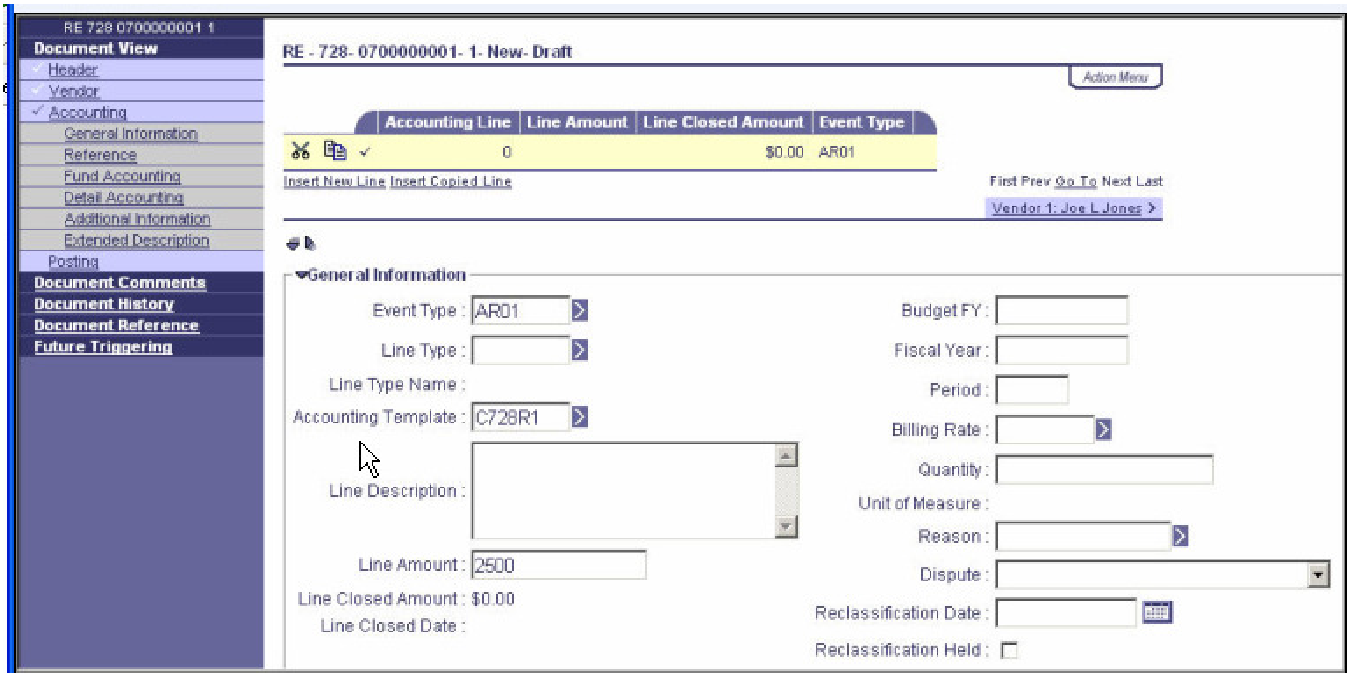
   ***The Document description does not print on the Invoice or Statement*.**

9. Open the **Vendor section** from the **Secondary Navigation panel**.
10. Open the **Vendor/Customer Pick List**.
11. Search for the **Customer** you set up in the previous exercise. Search by **Vendor/Customer** or by the **Legal Name**.
12. Click the **Select** link for the customer and the document returns to the **General Information section**.
13. Open the **Billing Profile Pick List.**
14. Enter the Billing Profile you created in Exercise 1.



15. Open the **Accounting** section from the **Secondary Navigation panel**.

16. Click **Insert New Line** if this is the first record or a new record is required.




17. Enter the following information:

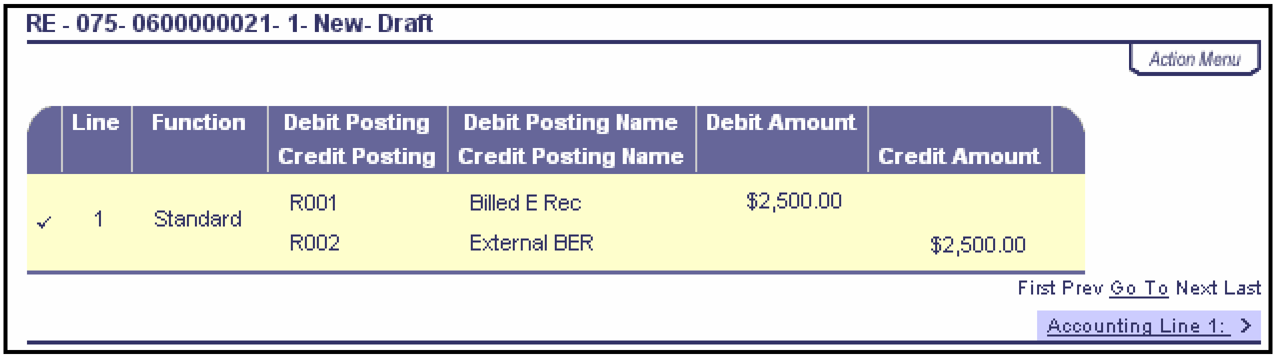
| Required Fields | Values |
|---|---|
| Event Type | AR01 |
| Accounting Template | See Student Card |
| Line Amount | 2500 |

NOTE: Using an Accounting Template will automatically populate the values in the Accounting section after the document is validated.

18. Open **Fund Accounting** and enter a **Revenue Code** from your Student Card.

19. Click **Validate**. Correct any errors and then click **Validate** again. A message is returned Document Validated Successfully**.**

20. Open **Posting** from the **Secondary Navigation Panel. Open** and review the Fund and Detailed Accounting sections for this transaction.


RE - 075- 0600000021- 1- New- Draft

Action Menu

| | Line | Function | Debit Posting / Credit Posting | Debit Posting Name / Credit Posting Name | Debit Amount | Credit Amount |
|---|---|---|---|---|---|---|
| ✓ | 1 | Standard | R001 | Billed E Rec | $2,500.00 | |
| | | | R002 | External BER | | $2,500.00 |

First Prev Go To Next Last

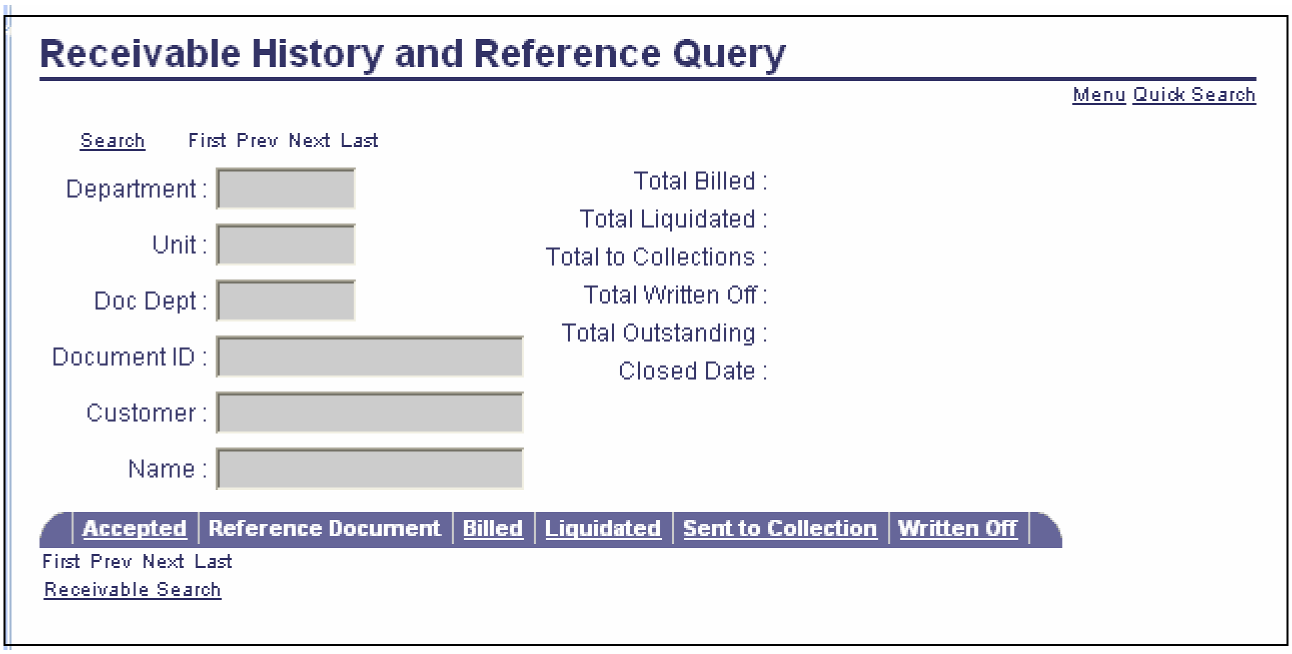
Accounting Line 1: >

21. Click **Submit**. The document status changes to **Final.**

22. Click **Close** to exit the document. You are returned to the **Workspace** page.

# Receivable Inquiry

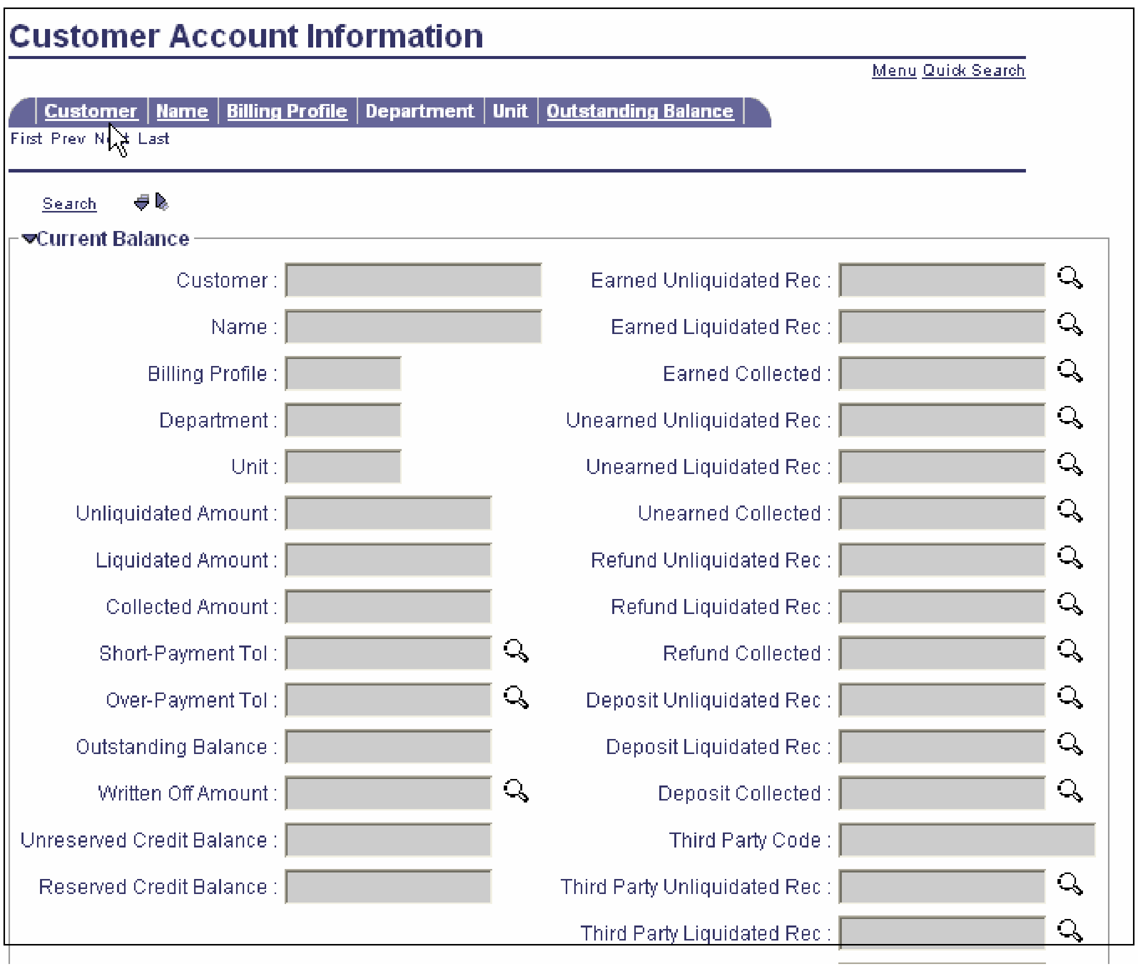
You can view your Receivable as well as other receivables in Final status from the **Receivable History and Reference Query (RDET)** table**.**




1. Open the **Receivable History and Reference link** from the **Receivables Inquiry section** in the **Secondary Navigation Panel**. A **Search** page opens
2. Enter the **Document ID** for the **RE** document you completed in this Exercise.
3. Click **OK.** You can review the posting for this document from the query page.
4. Click **Quick Search.** The **Page Search** page opens.

5. Enter **CUSTA**.
6. Click **Open with Data**. The **Customer Account Information** Table opens.
7. Click **Search**.
8. **Enter the customer name you created in Exercise 1.** You can review the receivable balance on the Customer Account Information Table.
9. **By clicking on the *Drill Down* (*Magnifying Glass*)** link beside the **Earned Unliquidated Rec** amount, you can see the documents that make up the amount.

> NOTE: You can search by Name if you do not have the Document ID or the Customer number.

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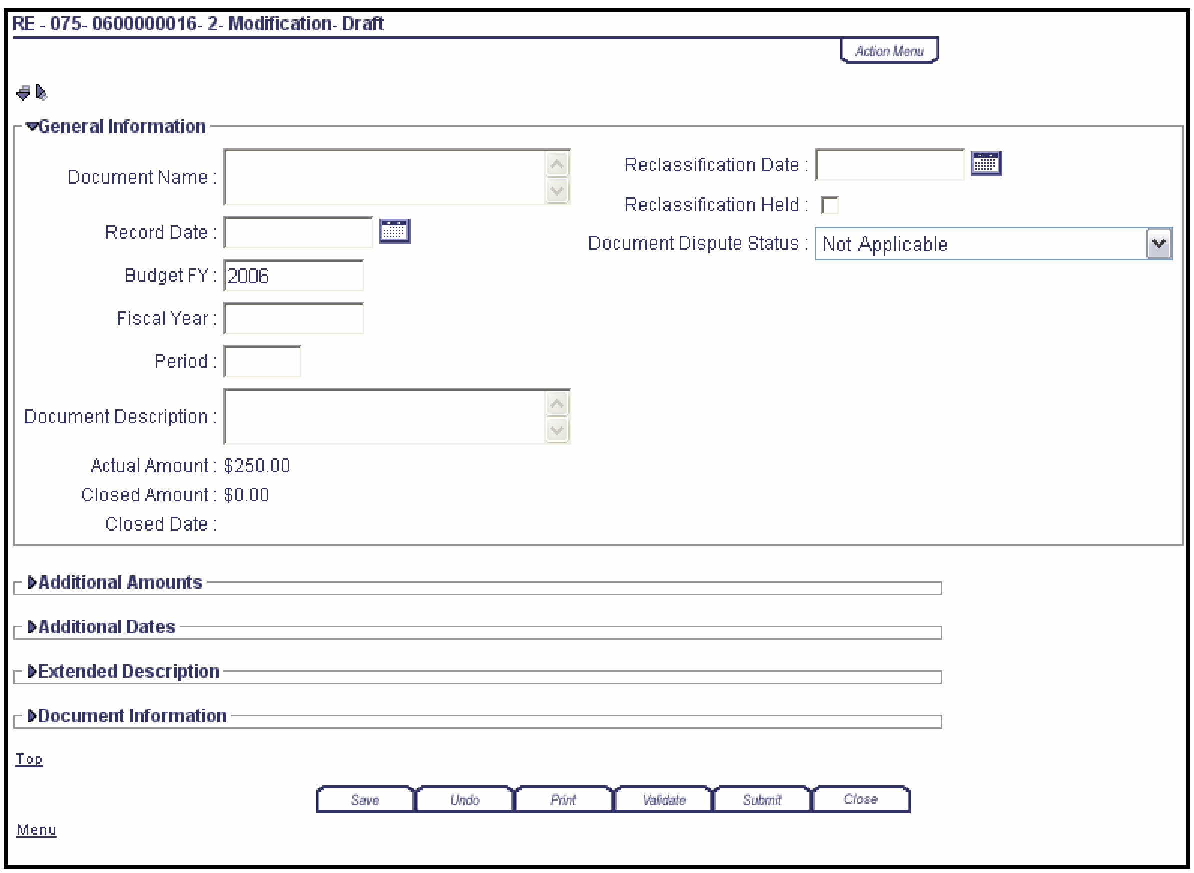
# Modifying an RE Document

A **RE** modification document is used to capture accounting transactions to decrease (when a customer is over charged) or cancel a previously established receivable.

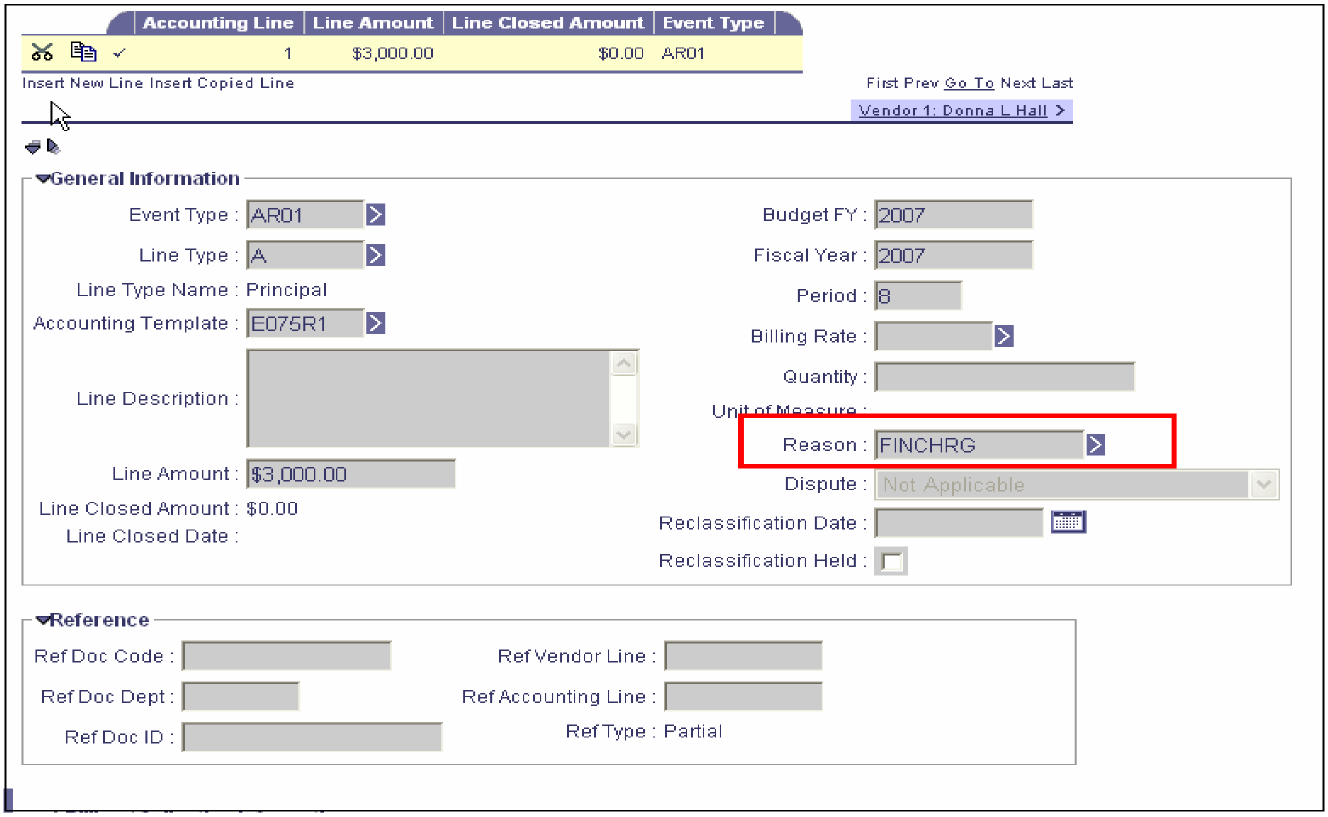
1. To modify an existing **RE** document, open the Final Submitted document from the **Document Catalog**.
2. Click **Edit** from the **Toolbar** and a Modification Draft document opens. Make the necessary changes to the document.
3. Click **Validate**. If you change the amount you will need to enter a reason on the Accounting Section of the document.
4. Correct any errors then click **Submit**.

The document becomes Version 2 Modification. The document is submitted to **Workflow**. Once submitted to **Workflow,** the previous document that you changed becomes New Historical (Final). Each time the document is modified, the version number will be incremented by 1.

*Modified **RE** Document – General Information*



*Modified **RE** Document – Accounting Line*



# Cash Receipts

The **Cash Receipts** process records all money received by the Commonwealth. Money can be received in the form of check, cash or electronic funds transfer (**EFT**).

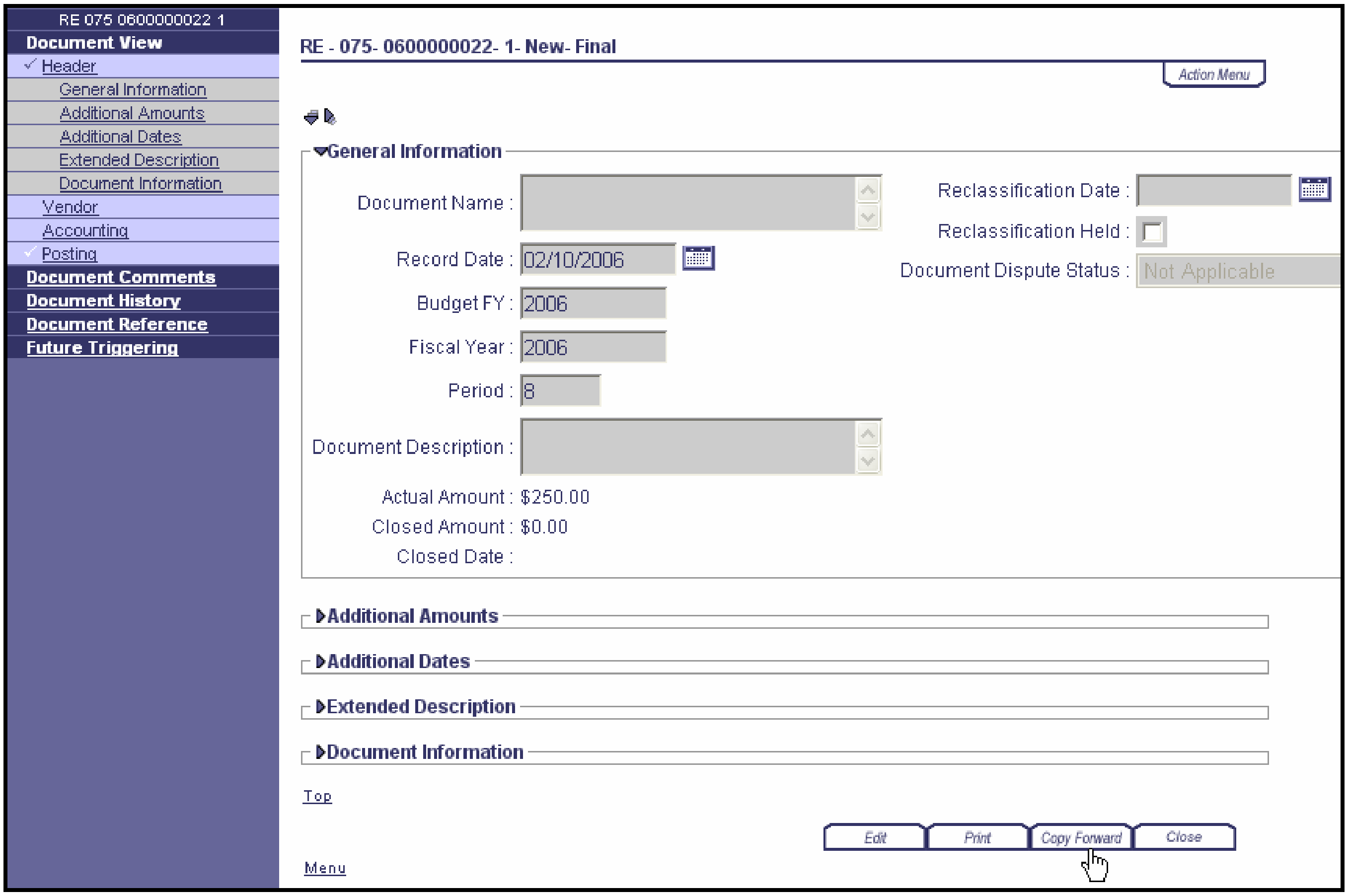
A receipt transaction represents one of five business events:

- **Customer pays bill** – a customer is billed for services provided by the Commonwealth by processing a receivable (**RE**) document. A **CR** referencing the **RE** document is processed to recognize the cash collection of the previously recognized revenue. The corresponding receivable is therefore closed, if the full amount is received.
- **Vendor returns refund** – a **CR** document can be processed to recognize a reduction of expense/expenditure. This may occur when the Commonwealth has submitted overpayment for goods or services to a vendor.
- **Customer pays for cash sale** – a **CR** document can be processed to recognize receipt of revenue without reference to a receivable transaction. For example, a **CR** document can be processed to recognize cash received directly from any source.
- **Customer pays for goods and services not yet performed** – a **CR** document can be processed to recognize a deferred revenue liability. This may occur when the Commonwealth has received cash in advance of earning the revenue.
- **Repayment of Loan, Investment Principal, or other asset**.

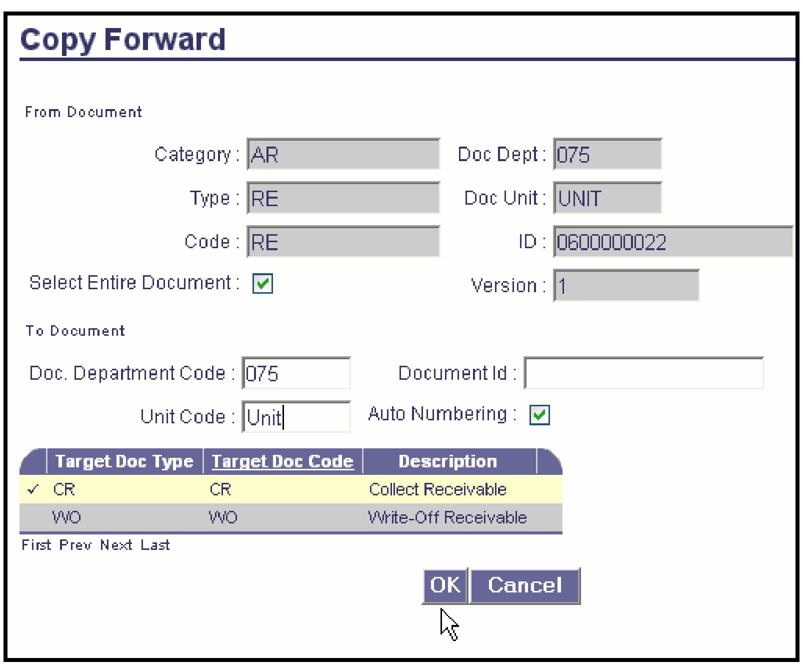
The Receipt process is initiated by the agencies that receive money, and final approval is done by the Treasury who deposits the money into the bank. From the time agencies receive the money and process a **CR** document until the **CR** is pending approval, the cash is not available to the user agencies for disbursement. Once a receipt transaction is recorded and approved by the agencies, funds are routed to Treasury for deposit.

Use **Copy Forward** to simplify entry of a **CR** referencing an **RE**.

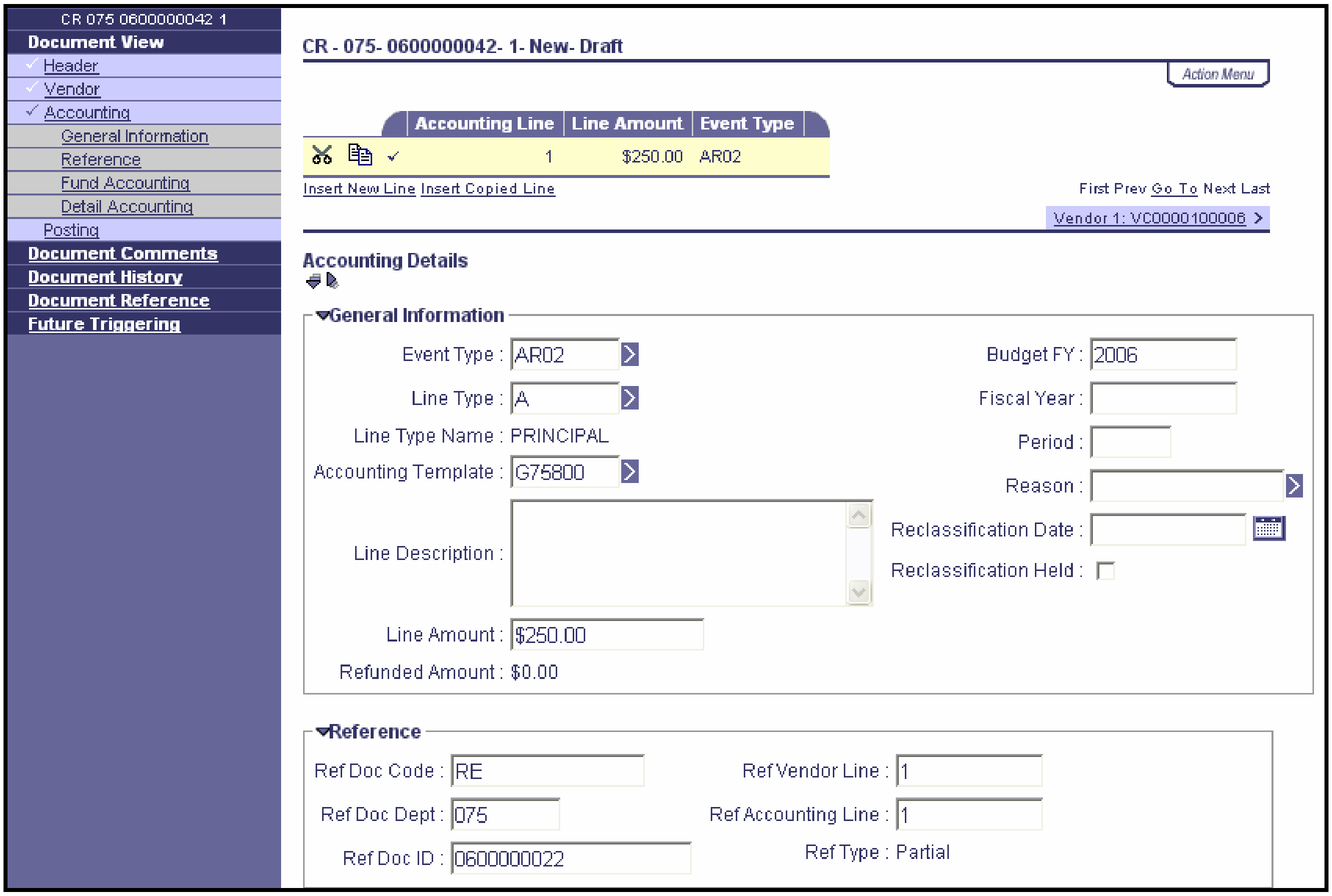
Open the **RE** document and select **Copy Forward**.




*Copy Forward* ***RE*** *Document to a* ***CR*** *Document*



***CR** Document with **RE** Document Referenced*




You learned how to process a **Cash Receipt (CR)** document in the prerequisite to this class, EMARS410 - Cash Receipt Processing. You will now complete an exercise to process a **CR** document from an existing **RE** document.

# Exercise 4 — Process a Cash Receipt (CR) from the RE document using Copy Forward Option

## Scenario

eMARS enables you to create a new document based on an existing document that is in **Final status**. The new document must be the next logical function (document) in the business process (e.g. a **CR** document can be created from an **RE**). **Copy Forward** helps reduce errors and saves you time when entering the same reference information into the new document. This functionality is not available on all documents.

## Task Overview

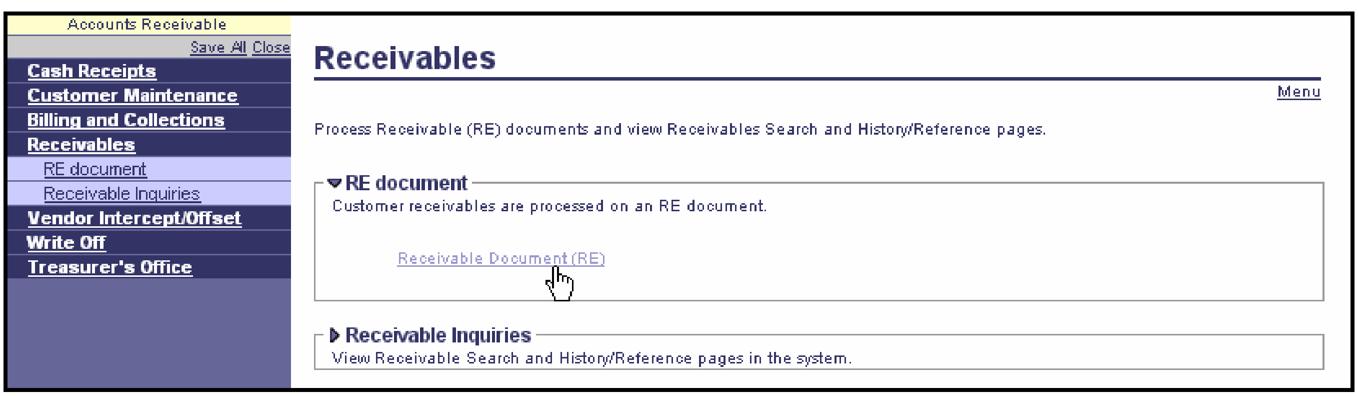
The customer billed in Exercise 2 made a payment for the invoice and you need to apply the payment to the receivable. The invoice was for $2500 and the payment received is $2000. This will leave a remaining balance on the **RE** of $500.

**Find the RE document you created in the last exercise and Copy Forward to create a CR document.**

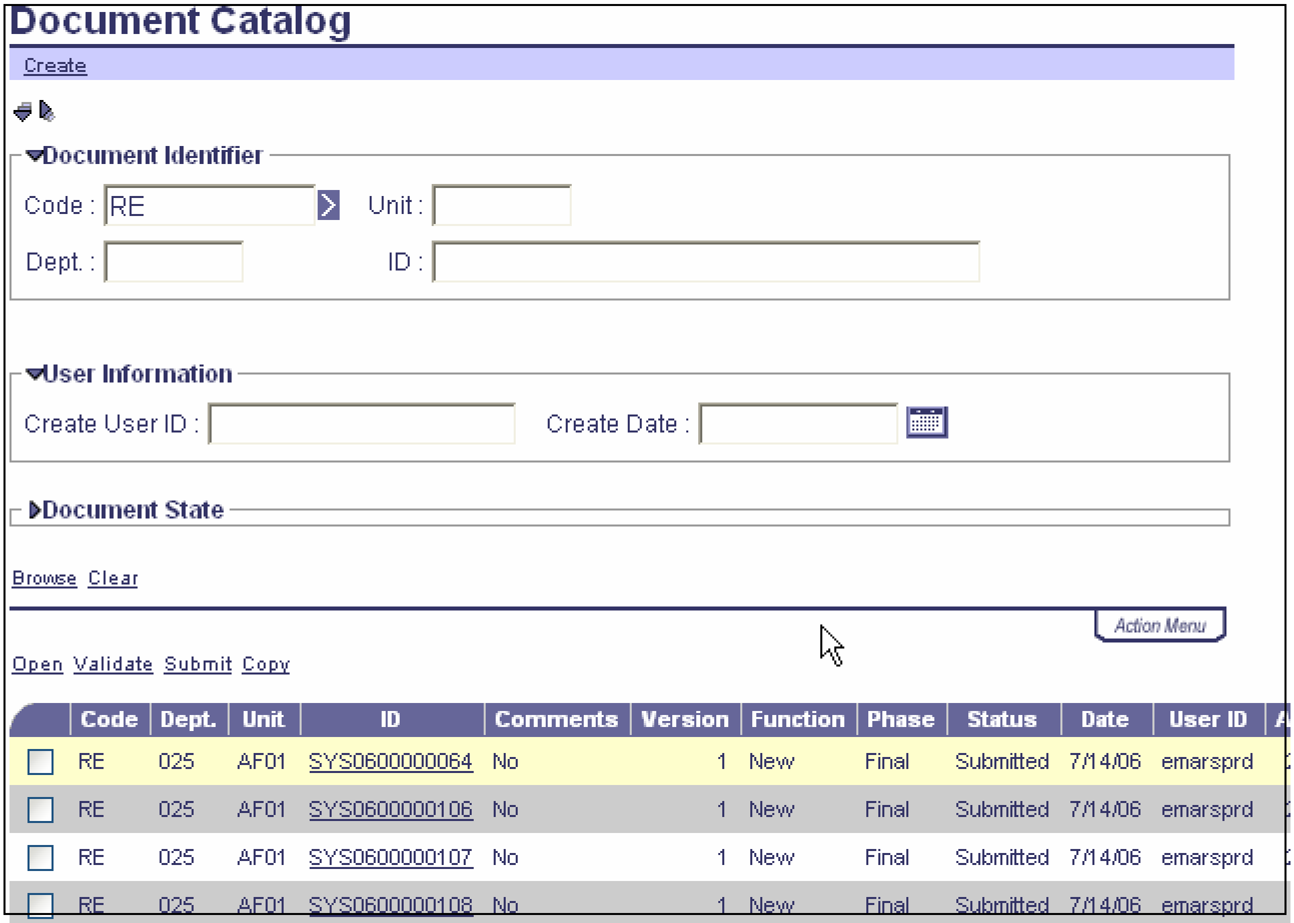
## Procedures

You can also find your document by accessing the Primary Navigation Panel **Accounts Receivable Workspace** or by accessing the **Document Catalog.** In this exercise we will create the Cash Receipt (**CR**) document by accessing the **Document Catalog.**

1. You will click **Search** on the **Secondary Navigational Panel**.
2. Click **Document Catalog.**
3. Enter **RE** in **Doc Code**, enter your **Unit**, and the **Document Number** you are locating.



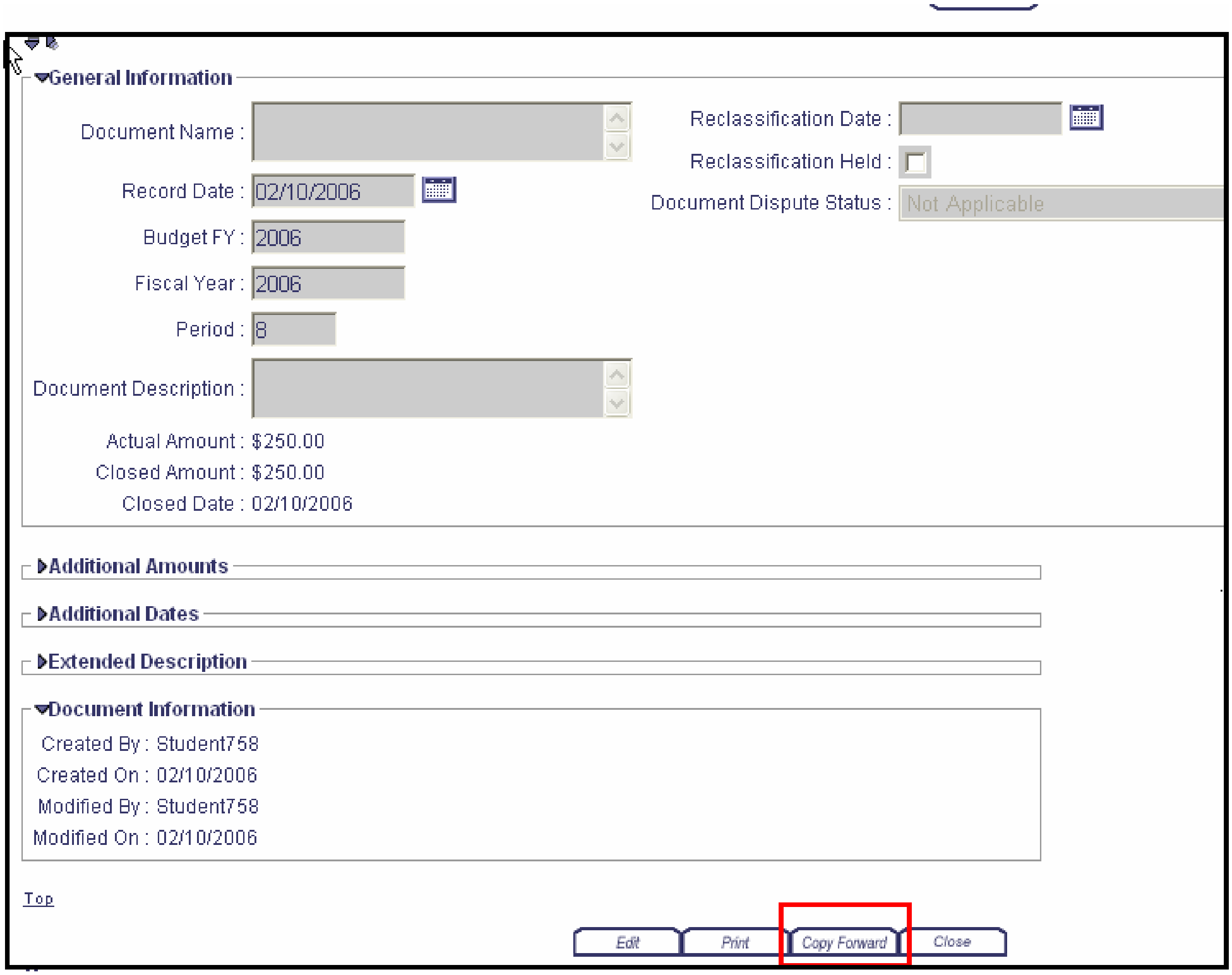
4. The **Document Catalog** page opens with a list of **RE** documents.




5. Enter the following information in the Document Identifier section:

| Required Fields | Values |
|---|---|
| Code | RE |
| ID | Enter the Document ID from your **RE** in Exercise 3. |

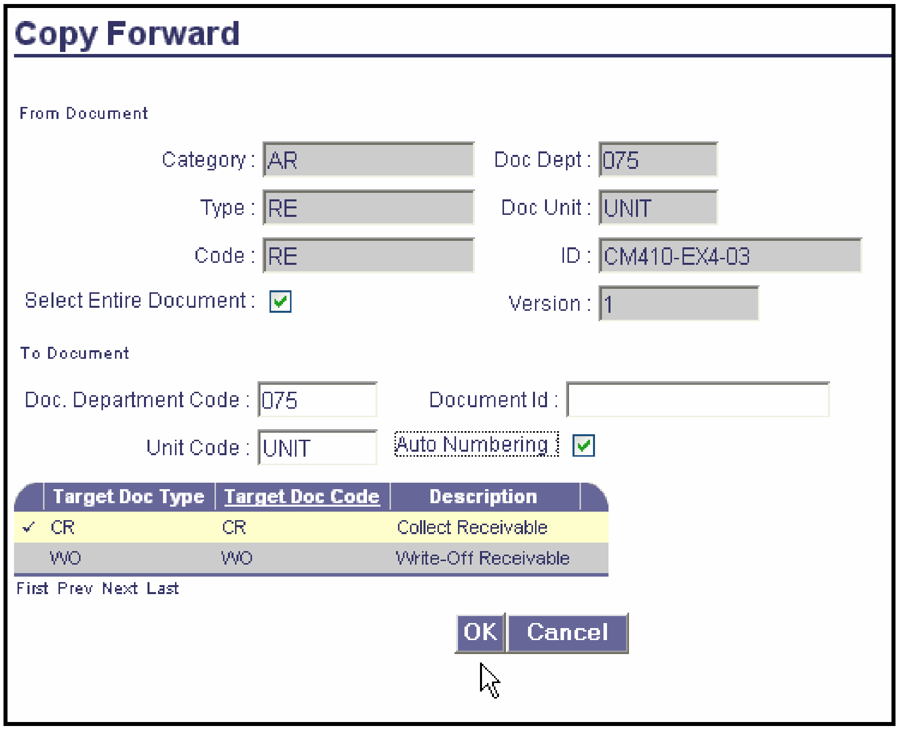
1. Click **Browse**.
2. **Check** the box next to the document you want to copy forward.
3. Click **Open**. The Final **RE** document opens.




4. Click **Copy Forward** from the toolbar at the bottom of the page. The **Copy Forward** page opens.
5. In the **To Document** field, enter the following information:

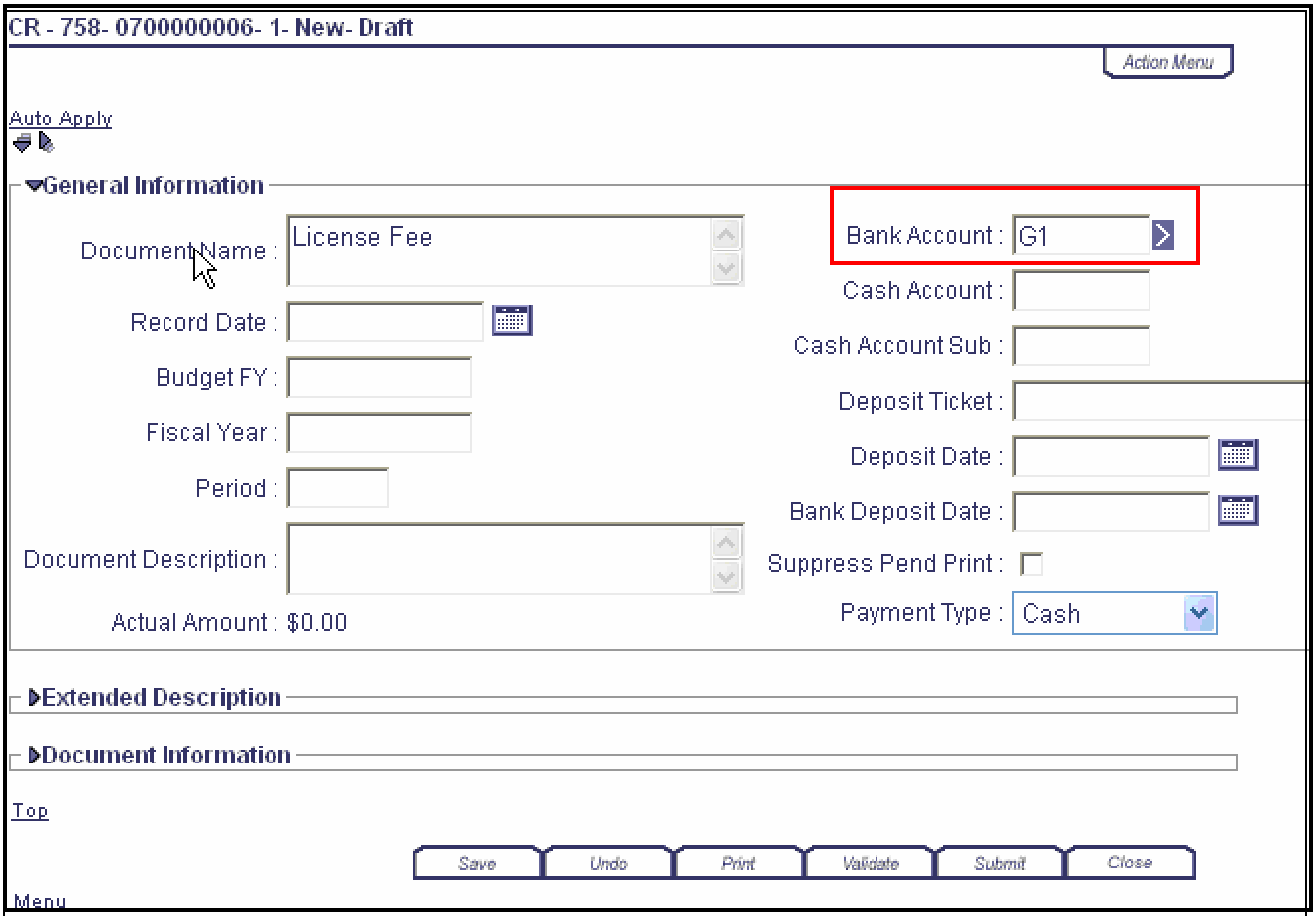
| Required Fields | Values |
|---|---|
| Doc. Department Code | Use the Same Dept as the **RE** |
| Unit Code | Unit |
| Auto Numbering | Check Auto Numbering |

6. Select **CR** in the **Target Doc Type** field.

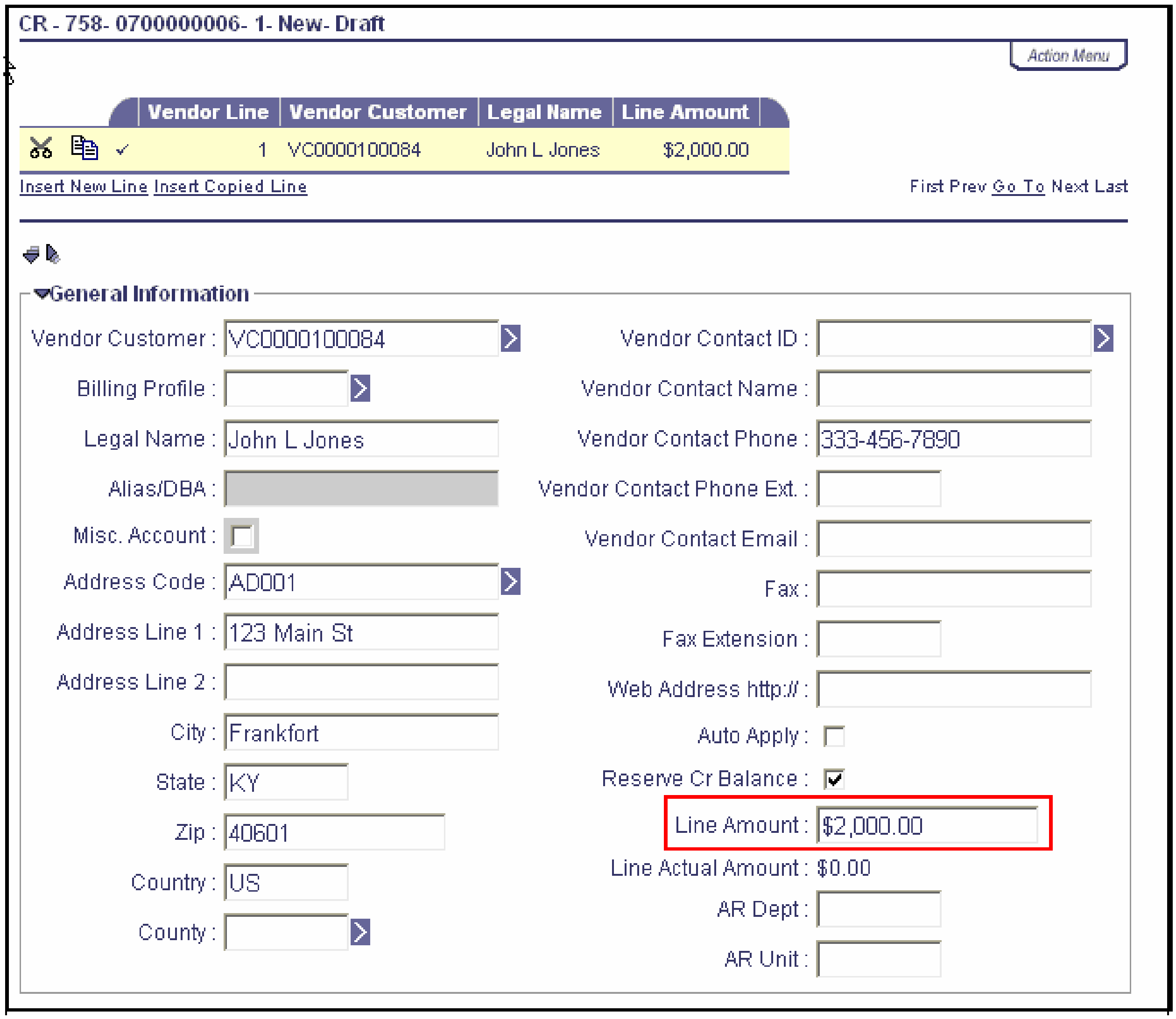



7. Click **OK.** A new Draft **CR** document opens to the **General Information** section.

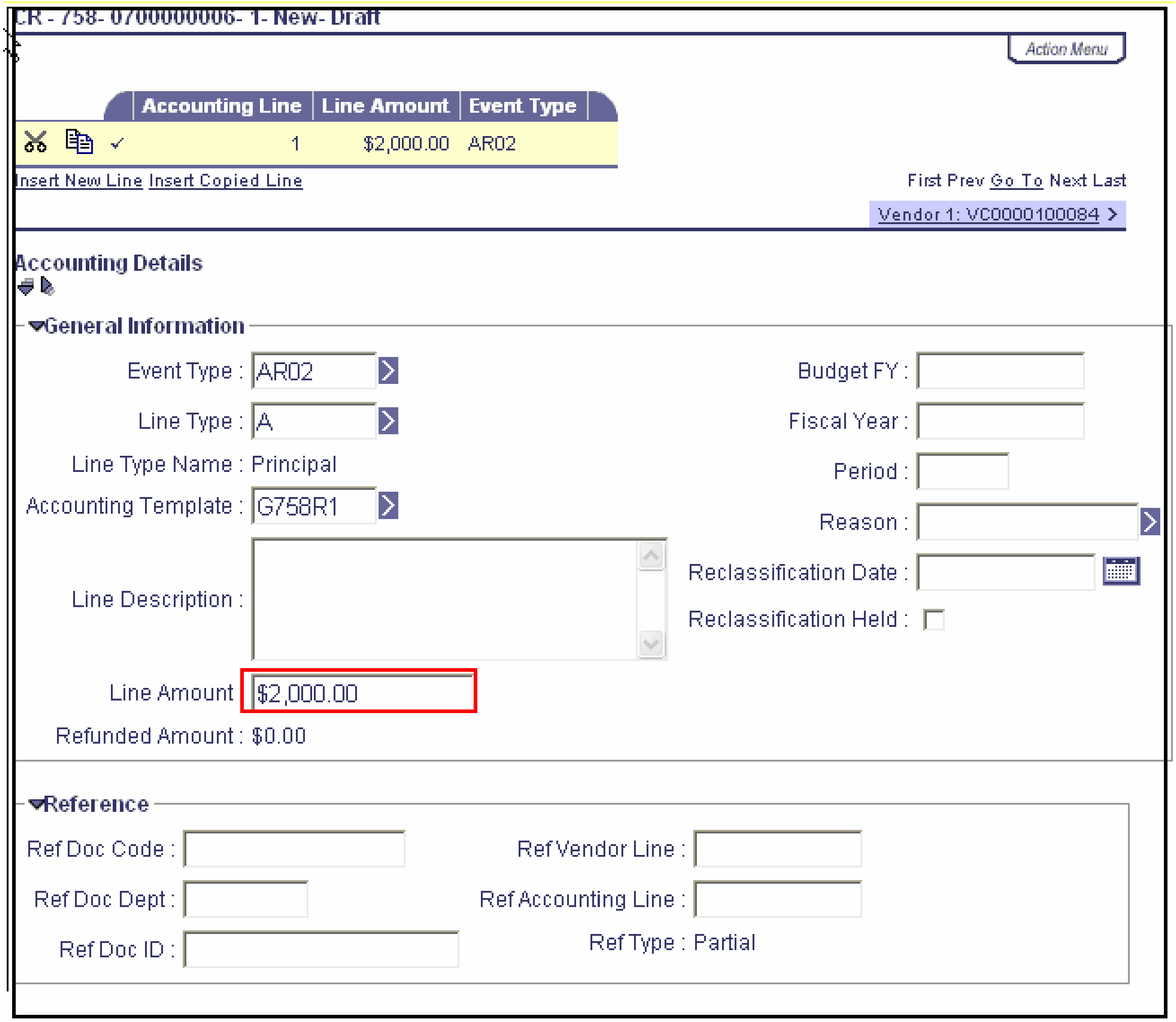
8. Open the **Bank Account** Pick List and select **G1.**



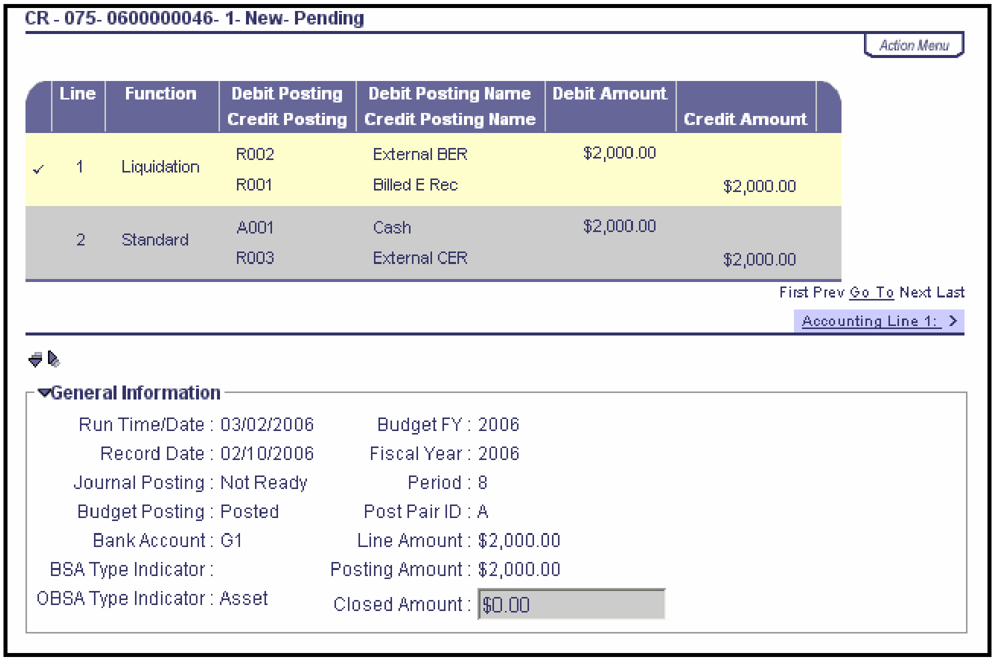
9. Select **Vendor** from the **Secondary Navigation panel**. Enter **Line Amount $2000**. This is a partial amount for the **RE.** The balance will remain open on the **RE.**



10. Open the **Accounting** section**.**
11. **Enter $2000** in the **Line Amount**.
12. Click **Validate**. If there are any errors correct them and then **validate** again. You receive a message that the document validated successfully.
13. Click **Submit.** The document updated successfully and the status changed to Pending Approval**.**



14. Open **Posting** from the **Secondary Navigation panel** to view the credit and debit posting for this transaction.



CR - 075- 0600000046- 1- New- Pending

Action Menu

| | Line | Function | Debit Posting / Credit Posting | Debit Posting Name / Credit Posting Name | Debit Amount | Credit Amount |
|---|---|---|---|---|---|---|
| ✓ | 1 | Liquidation | R002 | External BER | $2,000.00 | |
| | | | R001 | Billed E Rec | | $2,000.00 |
| | 2 | Standard | A001 | Cash | $2,000.00 | |
| | | | R003 | External CER | | $2,000.00 |

First Prev Go To Next Last

Accounting Line 1:

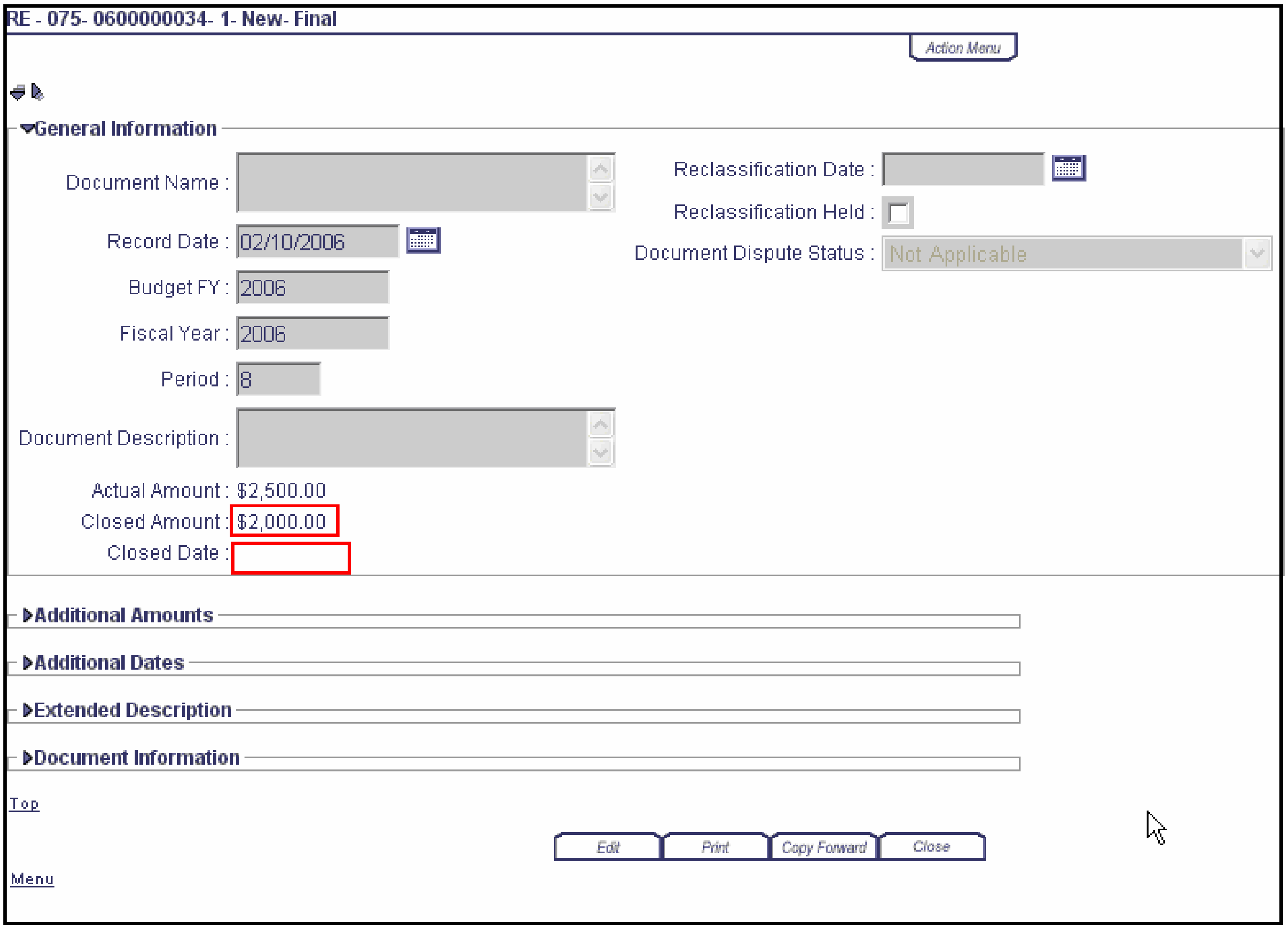
General Information

Run Time/Date : 03/02/2006
Record Date : 02/10/2006
Journal Posting : Not Ready
Budget Posting : Posted
Bank Account : G1
BSA Type Indicator :
OBSA Type Indicator : Asset
Budget FY : 2006
Fiscal Year : 2006
Period : 8
Post Pair ID : A
Line Amount : $2,000.00
Posting Amount : $2,000.00
Closed Amount : $0.00

15. Click **Close** to exit the document. You are returned to the **RE** document. **Close** the **RE.**
16. Enter **RE** for the **Document Code** and your **Document Number** from ***Exercise 3***.
17. Click **Browse** to refresh the **Document Catalog**.

18. Open the **RE** document to review the Closed Amount on the Header.

    Notice the Closed Date is blank. There is $500 remaining due on this Receivable.



# Exercise 5 – Process Cash Receipt (CR) for Electronic Funds Transfer (EFT)

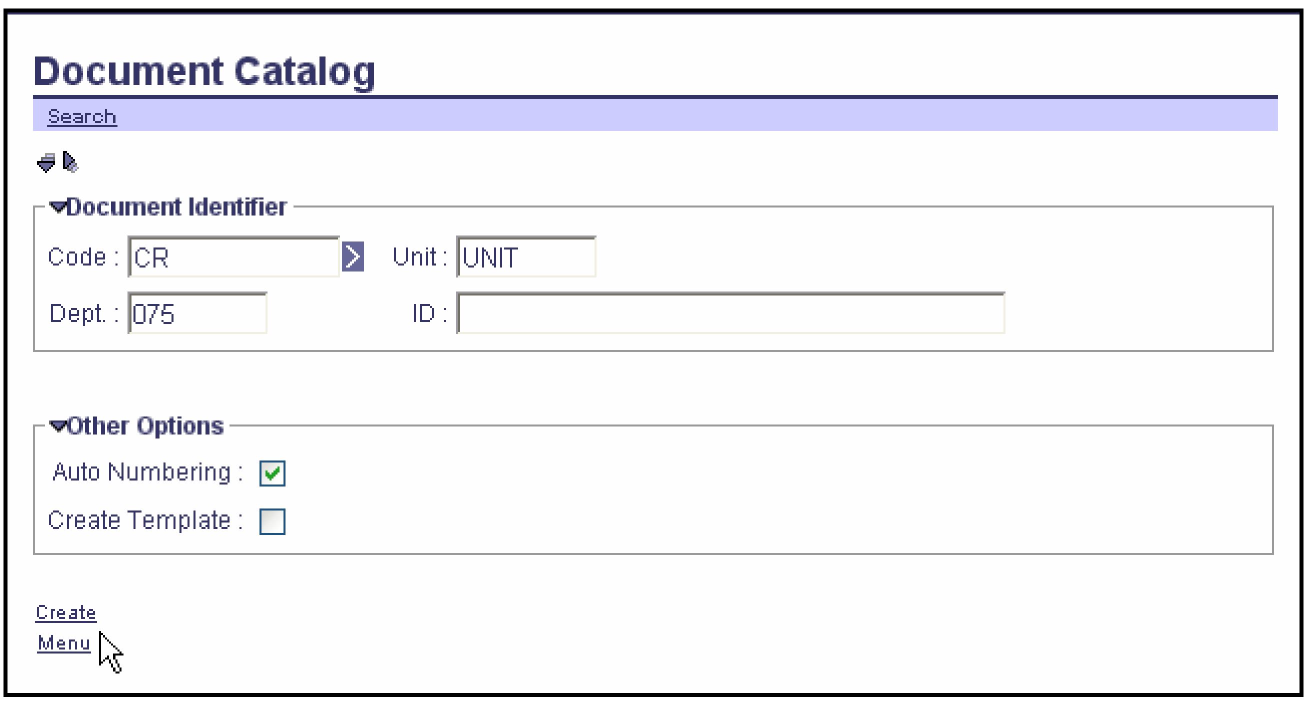
## Scenario

Funds have been received electronically from Customers and need to be entered into the system using a Cash Receipt (**CR**) document.

## Procedures

1. Open the **Accounts Receivable  Workspace** from the **Primary Navigation panel**.
2. Select **Cash Receipt Document (CR)** from the Cash Receipt Document section. The **Document Catalog** opens.
3. Click **Create** to open a new page.
4. Enter the following information.

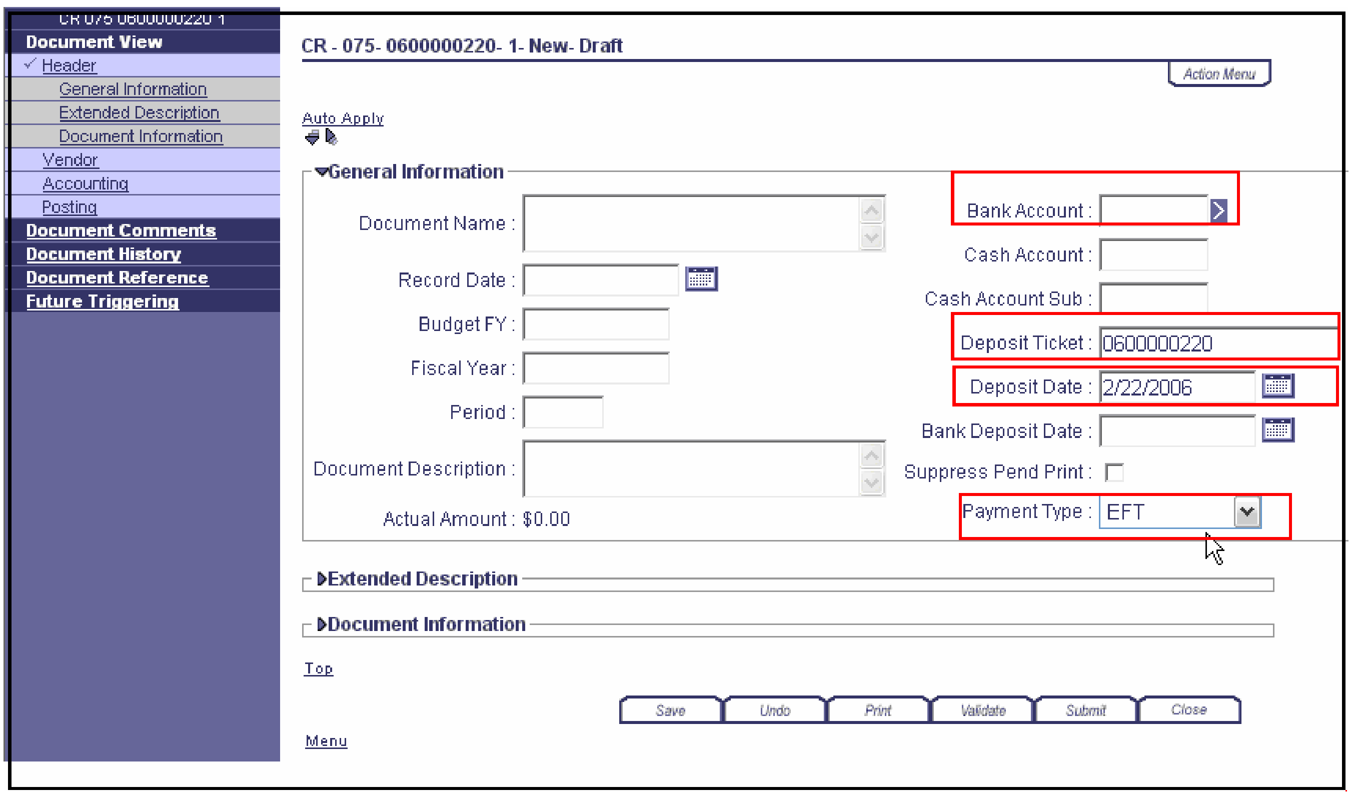
| Required Fields | Values |
|---|---|
| Code | **CR** |
| Dept | See Data Card |
| Unit | Unit |
| Other Options | Select Auto Numbering |



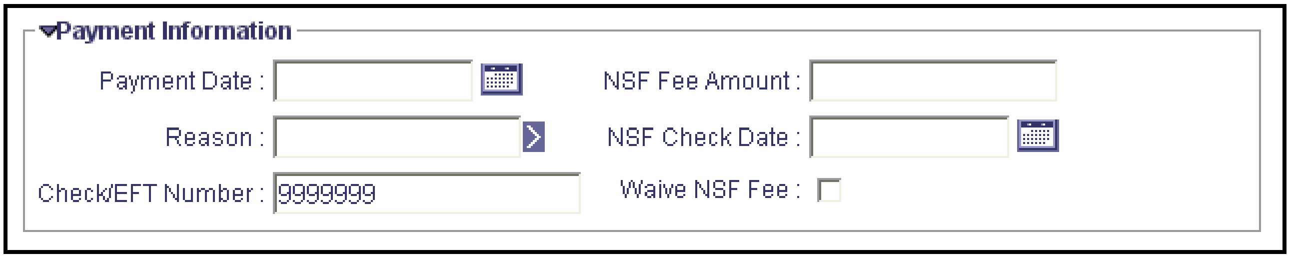
5. Click **Create**. The new **CR** document opens to the General Information section.

6. Enter the following information:

| Required Fields | Values |
|---|---|
| Bank Account | Select G1 from the pick list |
| Deposit Ticket | Required – Copy this **CR** Document ID into the field |
| Deposit Date | Required – Enter Current Date |
| Payment Type | **EFT** |




7. Click the **Vendor section** from the **Secondary Navigation** panel. The page opens to the **General** Information section.
8. Click **Insert New Line**. Enter **$1500** in the **Line Amount** field.
9. Open the **Payment Information** subsection. Enter an EFT Number **999999.**

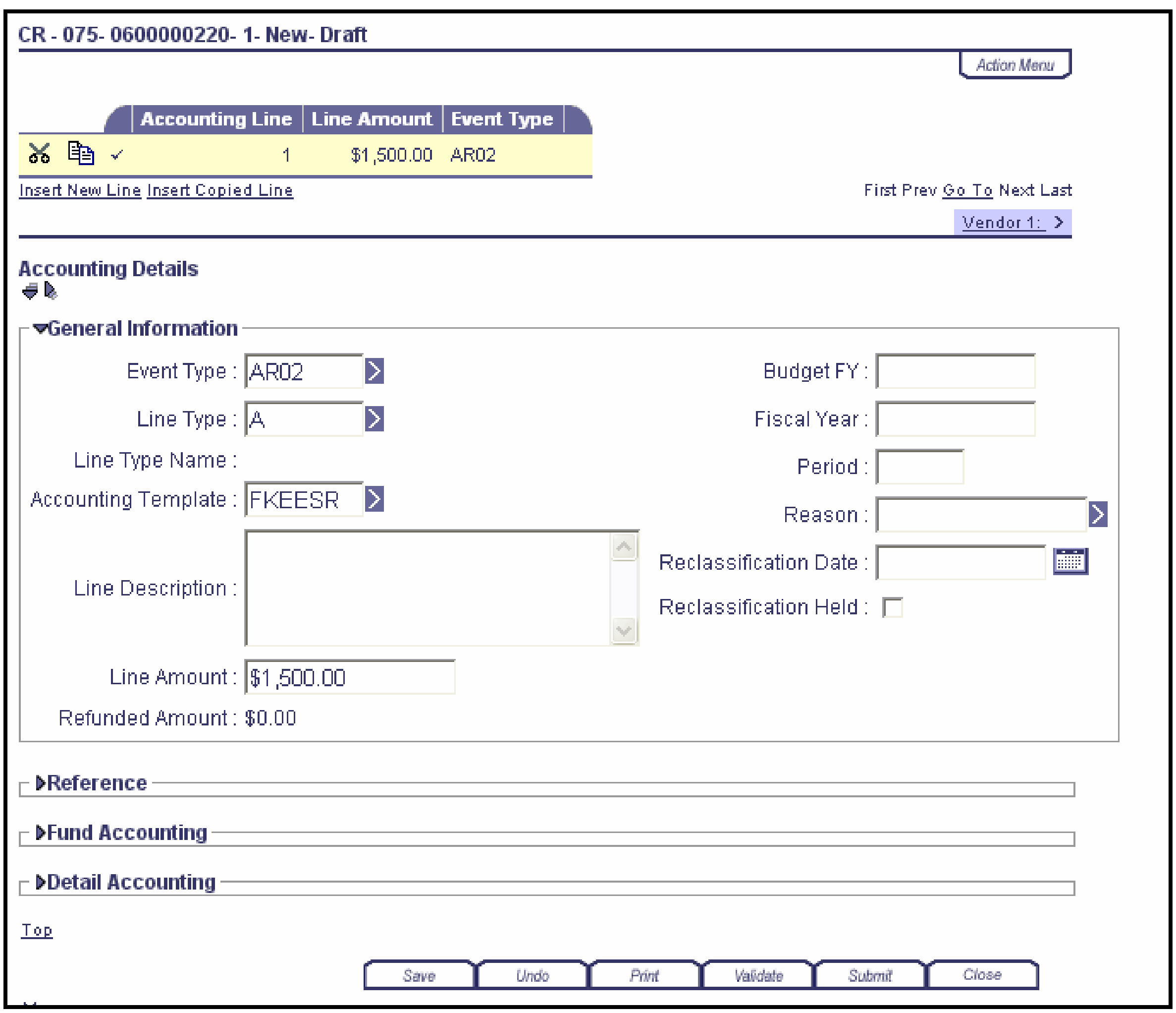



**10.** Click the **<u>Accounting section</u>** from the **Secondary Navigation panel**. The page opens to the **General Information section.**

11. Click **<u>Insert New Line</u>**. A new page opens **to Accounting Details General Information** section.

12. Enter the following information in **General Information**:

| Required Fields | Values |
|---|---|
| Event Type | AR02 |
| Accounting Template | See Data Card |
| Line Amount | $1500 |



13. Open the **Fund Accounting section** and enter the **Revenue Code** from your Student Card.
14. Click **Save**.
15. Click **Validate.** Correct any errors and **validate** again.


16. Click **Submit**. A message is returned *Document submitted successfully*. The document is now a Final document in the **Document Catalog**.
17. Click **Close** to exit the document.

| |
|---|
| NOTE: In production, this document will be submitted to Workflow for approvals. |

# Tolerances in Processing Cash Receipts

Short payment and overpayment tolerances are defined in the system. Short payments are set for Zero and overpayment tolerances are set at 1% or $10. A tolerance indicates what is acceptable if a payment is received that does not cover the full amount or how to process the money if more than the receivable amount is received. Tolerances are established either system-wide, by fund, or by document type.

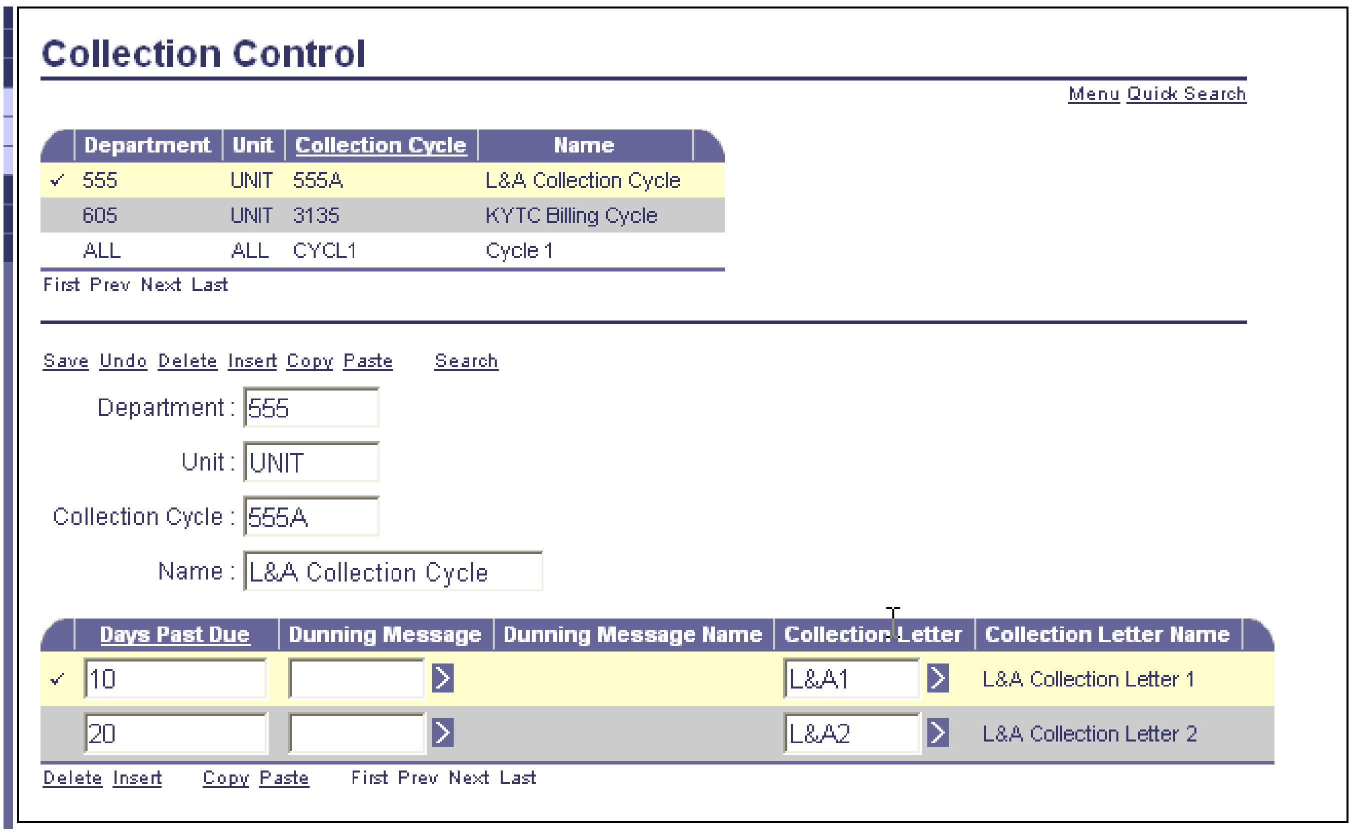
When tolerances are applicable, if a **CR** document references a **Receivable (RE**) document and the payment amount is within the defined tolerance range, the system closes the entire referenced receivable document. At the referenced line level, if there is a short payment on a **CR** document, the system considers it to be a partial payment. If the **CR** references a line on a **Receivable** that results in overpayment, the user will need to manually create an Accounting Line with an Event Type of AR40 (collect unreserved over-payment) to record the over-payment.

# Past Due Receivables

When a **Receivable** becomes past due, messages can be generated to remind the customer of the amount owed to the Commonwealth, based on the number of days past due. Agencies will define the content and timing for the dunning messages and collection letters. On the appropriate day past due, the respective dunning message is printed on the invoice during the normal invoice print process. Dunning messages can also be reprinted on-demand. Collection letters can be generated by batch during the nightly cycle and can also be reprinted on-demand to a local printer. The scheduling of the messages and letters is defined on the **Collection Control (COLLC)** table and linked to the receivable through the **Billing Profile** on the Receivable. The printing and sending of the dunning messages and collection letters is done at the agency site.

Past due amounts for the customer can be intercepted against Commonwealth payments to that customer. The intercept process is discussed in the Disbursement training class.

*Collection Control Table (**COLLC**)*



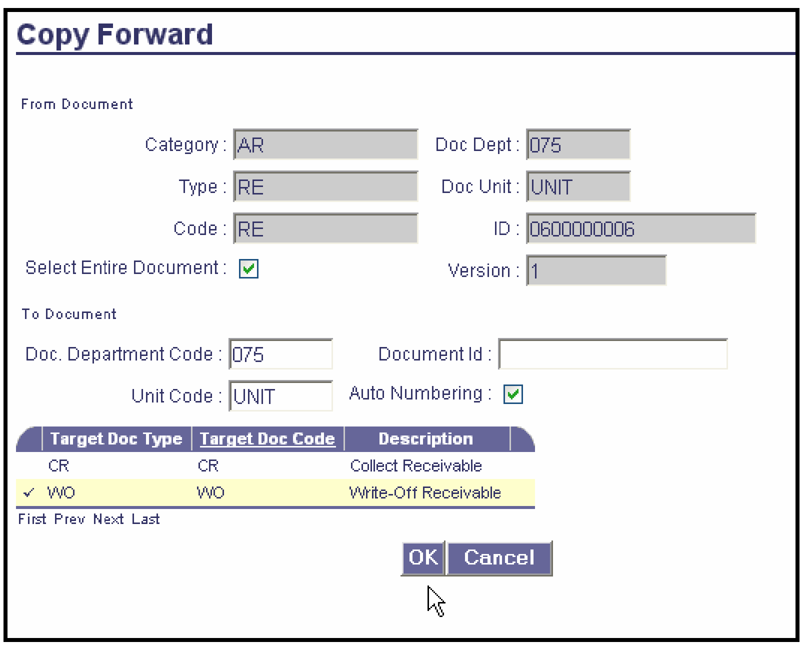
# Write Off (WO) Document

**Receivable** documents that are deemed uncollectible can be written off in a variety of ways. **Write Off** documents use the receivable accounting line outstanding amount to ensure the correct balances are written off. Write-offs require minimal data entry since most of the information is inferred onto the **Write Off** document. Wri**te Off** transactions use the event type of **Direct Write Off (AR03)**.

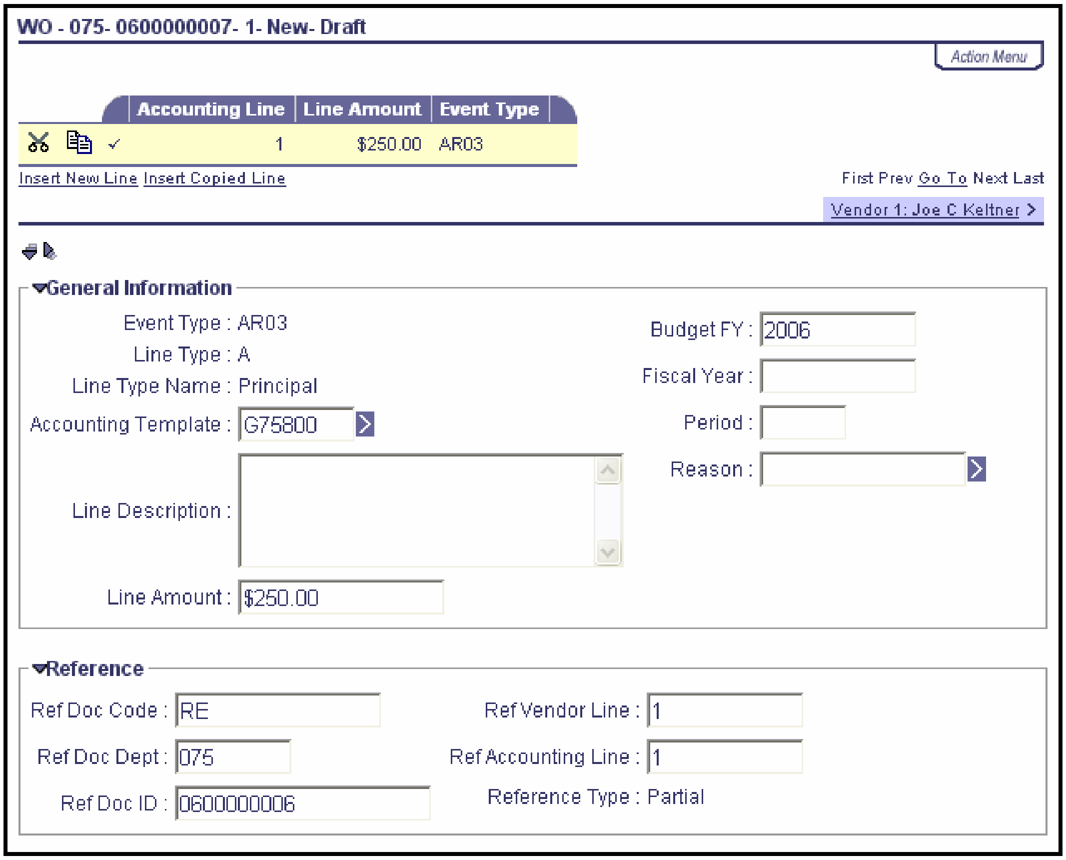
To write off an uncollectible amount, open the **RE** document with uncollectible funds**.** The amount is indicated in the Actual Amount field on the Header.

1. Click **Copy Forward.** The **Copy Forward** page opens.
2. Enter **Dept Code**, **Unit Code**, and select **Auto Numbering**.
3. The **WO** Document is checked in the **Target Document Type**.
4. Click **OK.**

***RE** Document Copy forward to a **WO***



***WO** Document Referencing an **RE***


WO - 075- 0600000007- 1- New- Draft

Action Menu

| Accounting Line | Line Amount | Event Type |
|---|---|---|
| 1 | $250.00 | AR03 |

Insert New Line Insert Copied Line

First Prev Go To Next Last

Vendor 1: Joe C Keltner

**General Information**

Event Type : AR03

Line Type : A

Line Type Name : Principal

Accounting Template : G75800

Line Description :

Line Amount : $250.00

Budget FY : 2006

Fiscal Year :

Period :

Reason :

**Reference**

Ref Doc Code : RE

Ref Doc Dept : 075

Ref Doc ID : 0600000006

Ref Vendor Line : 1

Ref Accounting Line : 1

Reference Type : Partial

5. Click **<u>Submit</u>**. The document enters Workflow for processing.

# Exercise 6 — Write Off a Receivable

## Scenario

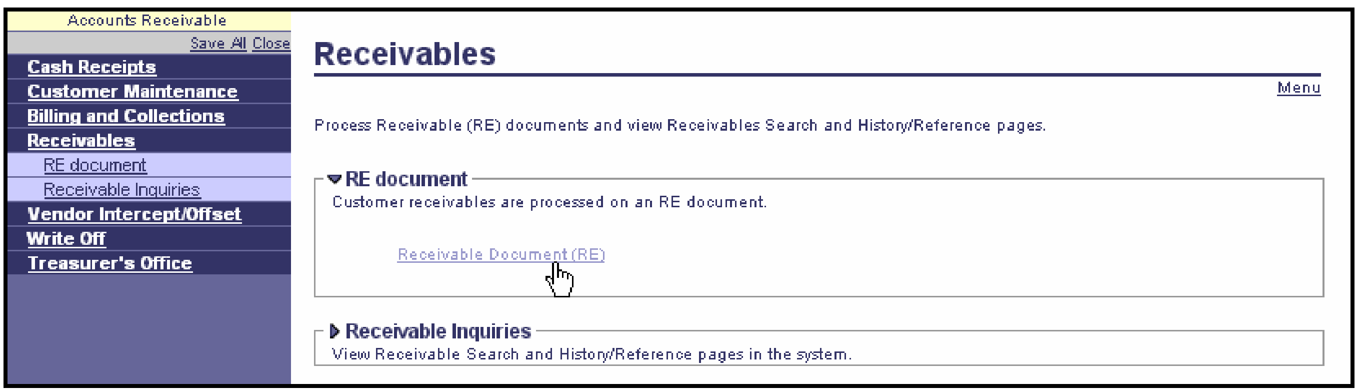
An outstanding receivable is past due and must be written off as uncollectible. You will use the **Copy Forward** command and **Write Off** the remaining receivable balance from the **RE** document.

## Task Overview

You will locate the past due **RE** document from your Student Card and use the **Write Off** document to write off the uncollectible receivable.

## Procedures

1. Select **Accounts Receivable** from **Workspaces** in the **Primary Navigation Panel**.
2. Select the **Receivables** link.
3. Click **Receivable Document** (**RE**) in the **RE** Document section. The **Document Catalog** opens with the **RE** document list populated.

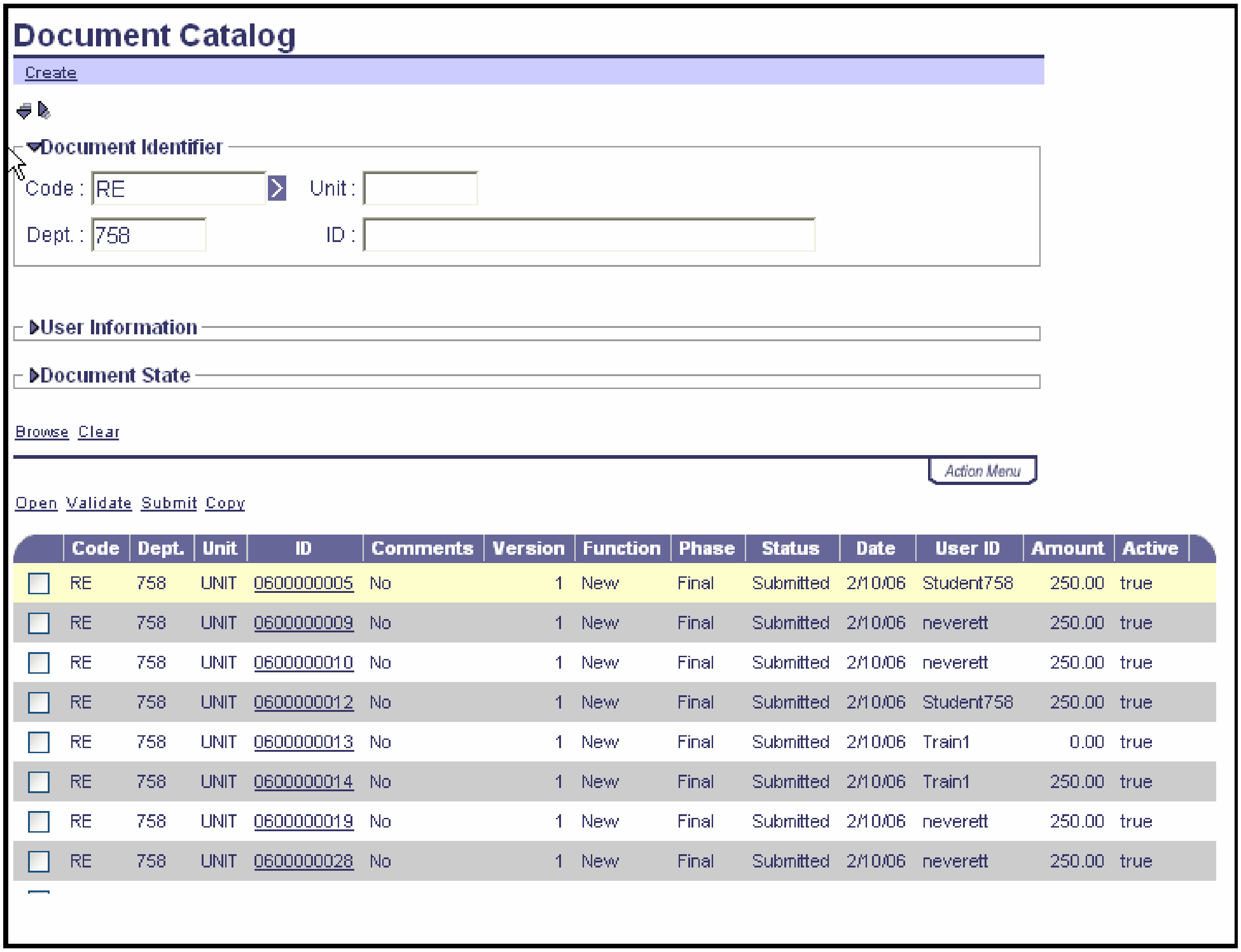



4. Click **Browse**.

Enter the following information in the Document Identifier section:

| Required Fields | Values |
|---|---|
| Code | **RE** |
| ID | See Student Card. |

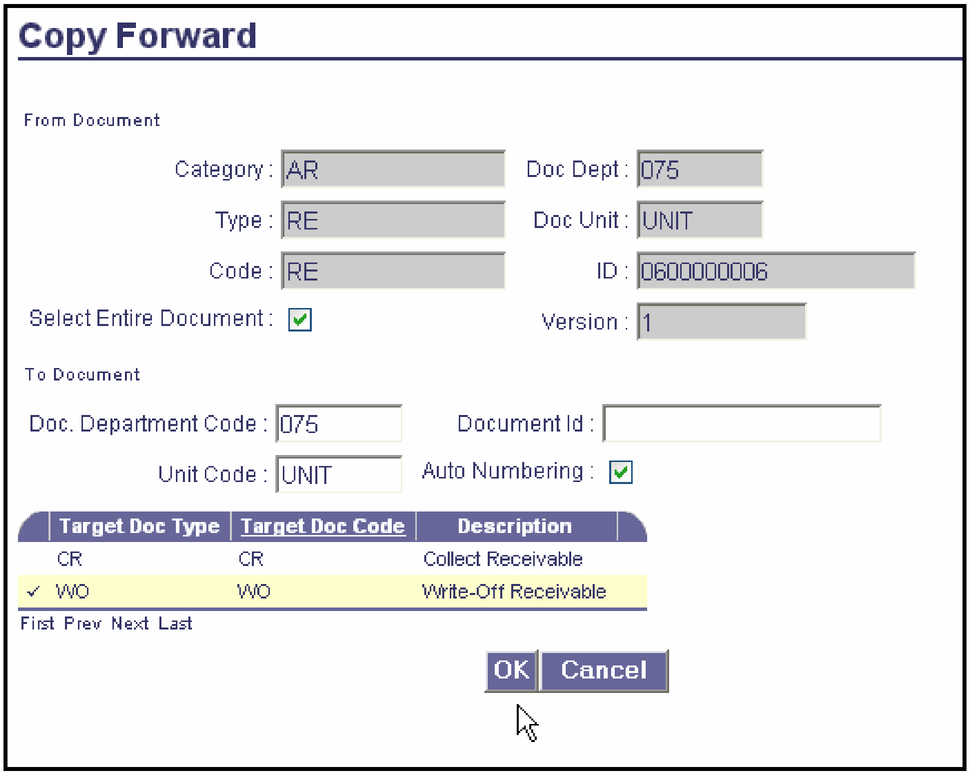
5. Click **Browse**.




6. Check the box next to the document you want to **Write Off**.
7. Click **Open**. The **Final RE** document opens. There should be an outstanding balance on the **RE**.
8. Click **Copy Forward** from the **Toolbar** at the bottom of the page. The **Copy Forward** page opens.
9. In the **To Document** field, enter the following information:

| Required Fields | Values |
|---|---|
| Doc. Department Code | Use the same Dept. Code as the **RE** document |
| Unit | Unit |
| Doc ID | Check Auto Numbering |

10. **Check** **WO** in the **Target Doc Type** list.

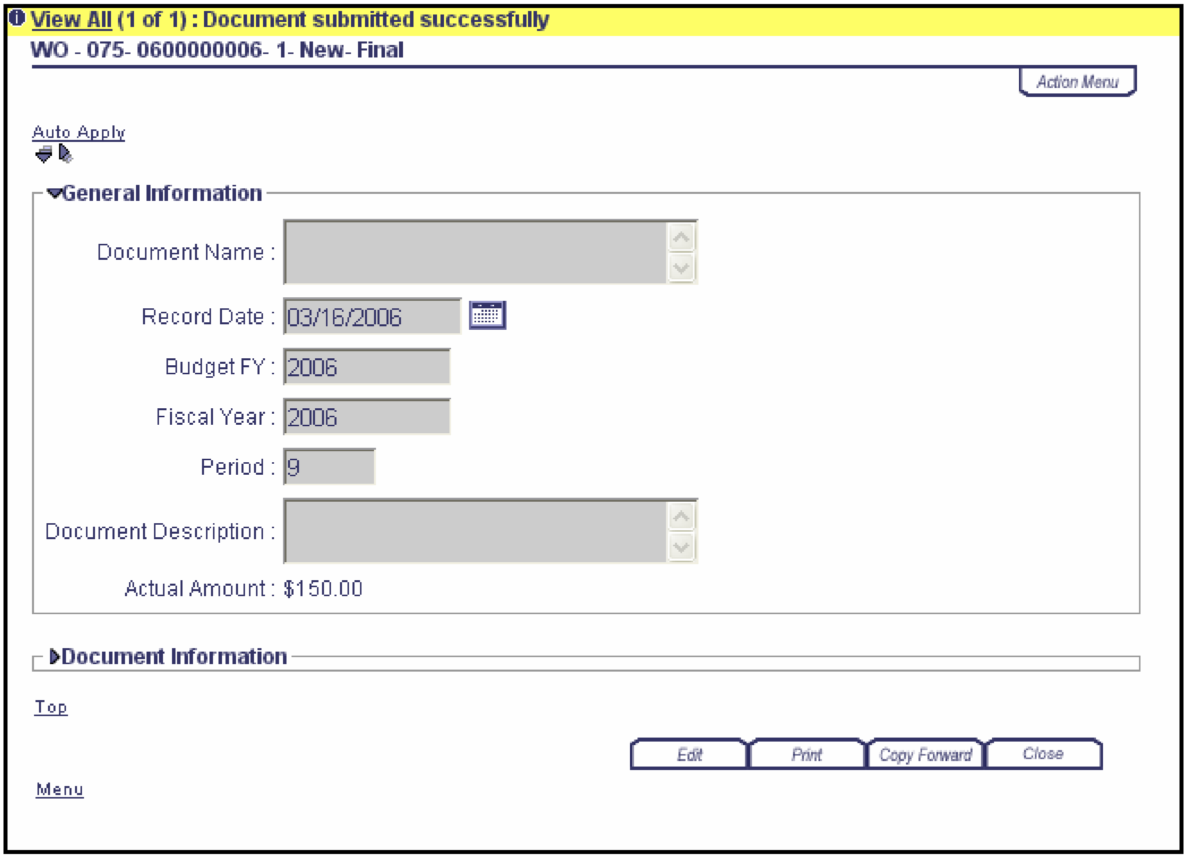



11. Click **OK.**

    The new Draft **Write Off (WO**) document opens. The remaining amount is indicated in the **Actual Amount** field in the **Header General Information** section.

12. Click **Validate**. The document validates successfully.

13. Click **Submit**. The document submits successfully and changes to a Final **Write Off (WO)** document.




14. Click **<u>Close</u>** to exit the document.
15. Close the **<u>RE</u>**.
16. Click **<u>Home</u>**.
17. Open **<u>Search</u>** and select **<u>Page Search</u>**.
18. Enter **<u>CUSTA</u>** in the **Page Code** field.
19. Enter the customer on your Student Card**.**

    You can review the **Unliquidated Amount** (Customer Balance) and **Written Off Amount** on the **Customer Account Information Table** (**CACT**).

By clicking on the ***Drill Down*** *(Magnifying Glass)* link beside the **Written Off Amount**, you can see the documents that make up the amount.

<u>Log Out</u>

Click <u>**Logout**. This closes the eMARS application and ends your session.</u> You can now close the open browser windows.

# 3 – Session Review

## Summary Review of *Topic*

A **Billing Profile** must be established for each Customer or group of customers to set up a Customer Account(s). General billing information, collection control and receivable system options overrides are established on the **BPRO** table. **Customer Account** and **Billing Profile** are specific to a Department.

- **RE** documents are generated to bill customers and can be referenced when the invoice is paid by the customer.
- The **CR** document is used to record money collected and once the document is recorded and approved by the Department, the funds are routed to Treasury for final approval and deposit.
- Short payment and overpayment tolerances are set in the system to accept payments within a range. The system automatically processes the payment and takes the appropriate action on the receivable. When the receivable is within the tolerance range (either over or under), the receivable is closed. At the referenced line level, if there is a short payment on a **CR** document, the system considers it to be a partial payment. If the **CR** references a line on a Receivable that results in overpayment, the user will need to manually create an **Accounting Line** with an **Event Type** of AR40 (collect unreserved over-payment) to record the over-payment).
- The **WO** document is used to write off past due receivables that are considered uncollectible.

## Summary Review Questions

| Questions: | |
|---|---|
| 1 | Once a Receivable is entered into the system, it cannot be changed or modified? True or False |
| 2 | What document do you use to process a Credit Memo in eMARS?<br>A. RE<br>B. CR<br>C. CM<br>D. C1 |
| 3 | Setting a tolerance in the system determines who can do business with the Commonwealth? True or False |
| 4 | What document is used to generate an invoice to the customer in eMARS?<br>A. CR<br>B. C1<br>C. IN<br>D. RE |
| 5 | What document do you use to process an EFT Receipt in eMARS?<br>A. RE<br>B. CR<br>C. EFT<br>D. C1 |
| 6 | What is the difference in a regular receivable and a summary receivable? |
| 7 | Only the exact amount for an outstanding receivable will result in closing the receivable? True or False |
| 8 | What happens if a Customer pays more than the amount invoiced within tolerance? If they pay less than the RE amount? |
| 9 | Overdue receivables can be set up for the Commonwealth intercept process? True or False |

# Answers to Summary Review Questions

| Questions: | |
|---|---|
| **1** | Once a Receivable is entered into the system, it cannot be changed or modified? True or False<br>**False – the RE document can be changed or modified after it is Final.** |
| **2** | What document do you use to process a Credit Memo?<br>A. RE<br>B. CR<br>C. CM<br>D. IN<br>**A – RE document** |
| **3** | Setting a tolerance in the system determines who can do business with the Commonwealth? True or False<br>**False – tolerances are set to accept over or underpayments to a receivable** |
| **4** | What document is used to generate an invoice to the customer in eMARS?<br>A. CR<br>B. CM<br>C. IN<br>D. RE<br>**D – RE document** |
| **5** | What document do you use to process an EFT Receipt in eMARS?<br>E. RE<br>F. CR<br>G. EFT<br>H. C1<br>**F – CR document** |
| **6** | What is the difference in a regular receivable and a summary receivable?<br>**Regular receivables are processed within eMARS and Summary receivables are entered to record receivables from separate systems outside eMARS.** |
| **7** | Only the exact amount for an outstanding receivable will result in closing the receivable? True or False<br>**False – if a tolerance has been set and if the payment is within the tolerance range, the receivable will be closed. Otherwise, a balance remains or a Credit is established in the case of an overpayment.** |
| **8** | What happens if a Customer pays more than the amount invoiced within tolerance?<br>**The Receivable is closed**<br>If they pay less than the tolerance range?<br>**An outstanding balance remains on the receivable..** |
| **9** | Overdue receivables can be set up for the Commonwealth intercept process? True or False<br>**True** |